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For United Action Against Fascism

HITLER is in power in Germany. War rages against the revolutionary masses of Germany and particularly the German Communist Party. The German bourgeoisie, in its desperate efforts to maintain its rule, has initiated through the Hitler fascist dictatorship the most ruthless reign of terror, provocation and banditry. Tens of thousands of Communists, Socialist workers and other militants have been arrested—all with the aim of checking the rapidly developing revolutionary upsurge and of depriving the working class of its leadership in the coming sharp class battles. The ascendancy of Hitler to power fully confirms the analysis of the Eleventh and Twelfth Plenums of the Communist International, that fascism grows out of bourgeois democracy, that fascism is the open form of bourgeois dictatorship aiming to stave off the proletarian revolution.

What forces led to the development of fascism in Germany? What are the peculiarities of German fascism in contradistinction to fascism in Italy? We can understand them only in the light of the present world situation as distinct from the situation that existed in 1922. The establishment of fascism in Germany is taking place in absolutely different historical conditions from the period in which fascism was instituted in Italy. Then the fascist dictatorship was formed at the ebb of the revolutionary wave, on the basis of the defeat of the Italian working class. At that time capitalism had already started on the upturn that led world capitalism to its period of reconstruction and relative stabilization. The fascist regime could, therefore, consolidate itself by its share in the partial stabilization. This is not the situation today.

The rise of fascism in Germany is taking place in the period of the end of relative stabilization, in the period which is characterized by the Twelfth Plenum of the Communist International as "the transition to a new round of big clashes between classes and between States, a new round of wars and revolutions." The capitalist class cannot arise from the present crisis through the former peaceful means. More and more it seeks a violent solution to the crisis.

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In Italy the fascist groups had been carrying on the most extensive terror against the proletarian masses, the toiling masses as a whole, before their march on Rome, with the result that already before the fascists came to power the proletarian and revolutionary peasant movement had been defeated. The peculiarity of the present situation is that the fascist dictatorship has been established in Germany under the conditions of a powerful revolutionary upsurge. The proletarian movement in Germany was in a much stronger position than in Italy. Instead of a weak Communist Party, just learning to work and still very strongly influenced by all sorts of social democratic traditions, we have a hardened and developed Communist Party that has lived through the experiences of 1918, and again the experiences of 1923, and many bloody battles since that time.

Unless this fundamental point is grasped, there are bound to develop various opportunist, defeatist tendencies that would lead to the complete capitulation of the revolutionary forces to fascism. Such tendencies assume that the working class is already defeated. Such conceptions only deter the development of a wide movement of international solidarity in the United States with the German proletariat.

Why then was fascism possible in Germany? Burdened with heavy debts as a result of its defeat in the World War, Germany was able to make her reparation payments only by placing the entire burden on the toiling masses. The effect of this was to provide the basis for whipping up a gust of national chauvinism among the German people, the feeling of national oppression, the feeling of national revolt against the barriers to the development of the nation, etc. The German bourgeoisie, through Hitler was able to exploit all these sentiments and divert the hatreds temporarily from class struggle against the bourgeoisie into channels beneficial to the bourgeoisie. Hitler developed a program in the interests of the financiers in Germany, a program filled with the utmost demagogy, designed to set up for himself the broadest possible mass base. The Nazis in this manner were able to win over large sections of the supporters of the old bourgeois parties, including sections of the workers. Their demagogic promises, lured the people with hypocritical catchwords for "national liberation," "against the Versailles Treaty," "work for millions of jobless at union wages," "for national Socialism," etc.

But this base is a very shaky affair. Under the blows of the crisis and the contradictions within the fascist regime, Hitler will not be able to hold together these forces that he has for the moment rallied. One can already see in the recent developments in the

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Hitler regime that it is not a solidly united body capable of carrying on its attack against the proletariat without having difficulties of its own. Fascism is united only on one point—a relentless determination to suppress the proletarian movement. On all other questions differences exist and are further developing within the fascist camp. These differences are already evident in the struggles brewing between the Nazis and the Stalhelm, between the National Socialists and the Nationalists.

There are other factors, however, which led to the establishment of fascism. The Social Democracy through its policy of coalition with the bourgeoisie was able, by its theory of the "lesser evil," to prevent the bulk of the social-democratic workers from uniting with the Communist workers in the struggle against the growing fascist offensive of the bourgeoisie. Due to the deep-seated chauvinist and democratic illusions among the masses, and in spite of its most strenuous efforts up to the time of the ascendancy of Hitler to power, the German Communists were still unsuccessful in winning the broad sections of the social-democratic workers for united struggle. Through the utilization of the theory of the "lesser evil" the Social Democracy disarmed the vigilance of the German toilers to the advance of fascism, creating the illusions that fascism is represented only in Hitlerism and that even until the March 5 election Hitler was not yet really in power.

The establishment of fascism in the period of the revolutionary upsurge does not mean a fatal weakening of the development of the forces of revolution, even though it creates more difficult conditions for revolutionary work. Precisely because of the forces of revolution do we see a gathering of the forces of counter-revolution in Germany today. Comrade Gusev in his speech at the Twelfth Plenum of the Communist International sharply polemized against the expressions of some delegates, in particular Humbert Droz, that fascism means the defeat of the forces of revolution. He stated:

> "Ever increasing masses are coming forward to the front of revolution. The forces of the world revolution are growing. But at the same time, the forces of counter-revolution are rallying together. 'The Party of revolution rallied the party of counter-revolution.' (Marx) The development of the revolutionary upsurge and the growth of revolutionary crises cannot take place in any other way. There is not and could not be a revolution which did not have the counter-revolution against it. It is therefore not correct to think that the development of fascism signifies a weakening in the development of the forces of revolution. This can only be the case after the defeat of the revolution after the ebb of revolution, in the period of reaction (e. g., the growth of fascism in Italy

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> in 1922-1923). But such a view is absolutely incorrect under conditions of the development of the revolutionary upsurge. The development of the revolutionary upsurge signifies not the weakening but the growth of the forces of revolution. The forces of revolution are increasing and beginning their offensive, and as a result, the forces of counter-revolution are rallying and passing to the counter-offensive against the forces of revolution. The struggle is blazing up and rising to its highest level—to revolution."

The fascist dictatorship is the consequence of the desperate situation of the German bourgeoisie, who unable to alleviate the miserable plight of the people, and unable to hold in check the rising movement through the previous methods of deception, has hurled itself into open adventurism in its hope to smash the forces of revolution. Thus, while fascism exposes the inability of the bourgeoisie to rule on the broader democratic basis provided by the old Weimar Constitution, it is at the same time a determined, back-to-the-wall counter-offensive against the growing movement of the masses.

Many contradictions exist and will further arise in the fascist camp. The national self-sufficiency program of the Nazis, for example, whereby they hope to make Germany independent of foreign markets, must become a factor in breaking the solidity of the Nazi regime. The economic program directed against the masses, including compulsory labor camps, the "reorganization of the trade unions" under complete Nazi control, the 30% cut on the German ships, as a forerunner for a wholesale wage-cutting campaign, concentration camps for the thousands of arrested workers—will not be accepted by the masses without fierce resistance. All these will be factors undermining the position of fascism.

There are many additional economic, as well as political factors. The antagonisms that exist between the Nazi and Stalhelm forces over the division of the spoils, over the role that each is to play in the leadership of the government, are already manifesting themselves. The Jewish question in Germany is already having tremendous effect on the whole position of the fascist regime. The wide protest that developed here in the United States against the anti-semitic outrages by no means strengthens the position of Hitler, but becomes a factor undermining Hitler's international position. At the same time, and most important in considering the international effect of Hitler's policies, are the sharpening imperialist antagonisms which arise with the coming of Hitler to power, intensifying the danger of an imperialist war and especially the attack upon the Soviet Union. All these are factors weakening the fascist position in Germany.

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It is necessary to make clear to the entire Party these circumstances working for the breakdown of the Hitler regime in Germany. While there are many serious obstacles, the revolutionary movement is already beginning to regather its forces and will soon rally the masses for the decisive battles. In this connection, we can see that the rule of fascism in other European countries does not prevent the development of the Communist Parties, and the revolutionary movement. The Pilsudski fascist dictatorship, despite its wholesale reign of terror, its open violent suppression of the revolutionary movement, has not crushed nor weakened the Communist Party of Poland, which is growing in strength and influence, rallying the masses every day for powerful struggles. In Bulgaria, the terrorist fascist regime has not been able to throttle the Bulgarian Communist Party which is now mobilizing the majority of the working class and leading a large section of the toiling peasants. For ten years Mussolini has worked for the destruction of the Italian Communist Party, but in this he has failed as did the others.

We enumerate the various forces undermining German fascism. At the same time it has to be emphasized that fascism will not collapse of itself. It will have to be overthrown. Only the revolutionary mass struggles of the German proletariat under the leadership of the Communist Party can bring death to fascism liberating the German masses from the burdens of the reparations and capitalist exploitation.

* * * *

The strengthening of political reaction in Germany has brought with it a changed position for the German social democracy. It has been forced out of direct participation in the government and the administration of the country, in which it has treacherously participated for the past 14 years. Hitler in his campaign directs fire against the Marxists in which he includes the social democratic organizations, thus again giving the social democracy standing as a party of "opposition." But this does not mean that its service to the bourgeoisie is ended.

The historic role of the social democracy has not changed. It does not mean that under the present circumstances the social democracy is no longer the main social support of the bourgeoisie in the ranks of the workers, impeding the development of the revolutionary movement. The German bourgeoisie still needs the social democracy.

In 1921 Lenin wrote in the German *Communist*:

> "Without support within the ranks of the proletariat, through the agents of the Second and Two-and-a-half Internationals, the bourgeoisie could not maintain its power in Western Europe and America."

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This is even more correct today. Without the aid of the German Social Democracy and its policy of capitulation to the German bourgeoisie, fascism would have never been possible in Germany. Their traitorous betrayals of the German masses from the first day of the World War until the present, demonstrates the complete bankruptcy of the policy of the Social Democracy. Under the slogan of "defend the fatherland" the German Social Democracy rallied the millions of toilers under its influence in support of German imperialism for the war. After the overthrow of Kaiserism in Germany, the Social Democracy compromised with the bourgeoisie and crushed the proletarian revolution. And today, in the words of the *Pravda* editorial of March 6:

> "The successes of fascism in Germany and the cowardly capitulation of social democracy before fascism, have brought about a crisis in the Second International, showing indeed the bankruptcy of the theories of 'Democratic Socialism.' "

The Social Democracy repudiated revolutionary action and replaced it by compromise with the bourgeoisie. It repudiated the proletarian dictatorship and hailed bourgeois democracy—the Weimar Republic. It created the illusions that it was possible through class collaboration, through coalition governments, to gradually improve the conditions of the working class. The opportunist theories developed by the Social Democratic leaders are exemplified by Sallman:

> "Marx and Engels' formula 'the workers have nothing to lose but their chains' does no longer apply. Workers have much to lose. *Therefore workers should not destroy what is, but must rather defend what is.*" (Our emphasis.)

The German Manufacturers Association well recognizes the role of the German Social Democracy. In a statement issued to its members it emphasized that the Social Democracy in the early days of the German Republic "chained organized labor to the bourgeois state machinery and by doing so paralyzed the revolutionary energy of the rank and file." The Social Democracy has pursued this policy throughout. Under the slogan of fighting fascism it called upon the masses to support the Bruening government, to vote for Hindenburg as against Hitler, to vote for this arch reactionary who was represented as fighting fascism. It supported the Von Papen-Schleicher governments—paving the way for fascism. Through the Bruening government, through Hindenburg, through Von Papen and Schleicher to Hitler—in each step the social fascists of Germany with their theory of the "lesser evil" disarmed the German masses and made possible the advent of fascism. The purpose of the Bruening and Hindenburg gov-

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ernment as the forerunner of an open fascist dictatorship was concealed from the workers. Every attempt to develop struggle was hampered by their policy to "wait until the Constitution had been violated."

How correct are the words of Comrade Stalin that "social democracy is the moderate wing of fascism" and both "stand for the preservation and strengthening of capitalism and the dictatorship of the bourgeoisie, but from this position they each adopt different tactical views." (Twelfth Plenum E.C.C.I. Resolution.) The whole essence of fascism, the open dictatorship of the bourgeoisie, is the employment of more open brutal and violent methods to suppress the working class movement. The social fascist on the other hand propose the enforcement of the Weimar Constitution, protection of the rights granted under the bourgeois democracy, the maintenance of the bourgeois democracy, counterposing the concealed bourgeois dictatorship as something diametrically opposed to fascism.

The renegade Trotskyites gave direct aid to the theories of the "lesser evil" propounded by the German social democrats calling for united front action of the Communists and Social Democrats on the basis of these policies. This is seen in the homage paid to Trotsky in an article by Adolph Dreyfus, characterized as a "veteran German Socialist who has been a member of the American Socialist Party for 30 years" in the *New Leader* of March 12, which states:

> "Leon Trotsky even if he is on the outs with Stalin, is none the less a good thinker. *He issued a pamphlet in Germany in which he advised support of the Bruening Government as long as it fights the fascists.*"

The defense of bourgeois democracy is advanced for the purpose of maintaining the capitalist dictatorship as against the revolutionary dictatorship of the proletariat. It exposes the entire pro-capitalist role of the German Social Democracy. This is clearly seen in its present capitulation to the Hitler regime. While mouthing phrases of unity it at the same time is surrendering all along the line. Thus, the editor of the German Social Democratic *Vorwaerts* immediately after the Reichstag elections declared:

> "We recognize that at present after the election Hitler has the *moral and democratic right* to rule in Germany. We *hope* and *expect* that he will rule in accordance with the laws of democratic law and order on the basis of the Constitution. We social democrats will assume the position of constructive criticism and *will do everything in our power that the good name of Germany shall not be harmed in foreign countries.*" (Our emphasis.)

On March 22 the *New York Times* Berlin correspondent reported that:

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> "The Socialists decided today not to oppose the full enactment of the empowering measure of tomorrow's Reichstag session, *although they would have been able to do so by simple protest.*" (Our emphasis.)

And at this Reichstag session, fearing that they would help in still further undermining their influence among the masses, Otto Wels, chairman of the Social Democratic Party of Germany, begged the Nazis "not to take *our honor* from us." He pointed to the patriotic record of the socialists during the past 14 years and begged to be allowed to vote against the dissolution of the Reichstag and against assigning full dictatorial powers to Hitler. On this basis the Socialists cast 94 votes against!

* * *

The disintegration in the Social Democratic Party is already seen in the actions of their leaders. Half of the Socialist deputies in the Brunswick State Diet resigned from their posts and at the same time from the Social Democratic Party stating "they had no desire to stand in the way of the '*national revolution*'" (our emphasis) and "recognizing the hopelessness of further opposition."

Otto Braun, outstanding leader of the German Social Democracy, resigned from the Reichstag and the Prussian Diet and retired to Switzerland.

Otto Wels sent a letter to Von Papen stating "it is sufficient to examine the Communist press' sharp attacks on the Social Democratic Party to become convinced that a united front between the Communists and Social Democrats does not exist" and assuring the Hitler regime that the socialists are "faithful to the constitution (and) will always remain a party of law and order." (*New York Times.*) This was in the first days after Hitler had assumed power. Later, as we will show, his position as a supporter of Hitler becomes still more clear.

* * * * *

Simultaneously with these acts of betrayal the Social Democratic leaders are compelled because of the growing dissatisfaction in the ranks of the Social Democratic workers to adopt a position of being in "opposition" to Hitler. This explains the demand for a joint struggle with the Communists in the appeal of the Second International which says:

> "We call upon the German workers and the workers of all lands, in view of the tragic danger facing them, to cease all mutual attacks and begin to fight against fascism. The Socialist Labor International is always ready to enter into negotiations with the Communist International on the question of united struggle as soon as the latter expresses its readiness to do so."

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The activity of the Communist Parties throughout the world has created among the masses of workers in all countries a strong sentiment for united action. The Communist International from its very inception has emphasized the necessity of uniting the workers for struggle against the attacks of capitalism, leading them through such struggles to the decisive battles against capitalism. Already, in the thesis of the Communist International in 1921, it stated:

> "Naturally the tactics of the united front as a method of agitation among the wide masses of the workers are suited for a definite epoch, namely the epoch when the Communists in nearly every country which is of decisive importance to the working-class movement are still in the minority. In proportion as concrete conditions change so also will the application of the tactics of the united front have to be modified. Even today, application of the tactics must differ in different countries. As the fight becomes sterner and assumes the character of a decisive struggle, we shall have more than once to change the manner of application of the tactics of the united front in various countries. The time will come when entire and now still powerful Social Democratic parties will collapse, or if they persist in their treachery, will burst like soap bubbles; and when whole strata of the social democratic workers will come over to us. The tactics of the united front further, and expedite this process."

In 1923 the Communist International addressed an appeal for united front action to the International Socialist Congress at Hamburg "against the new danger of war, against the strangling of the German proletariat, against the domination of the bloody master of fascism." This call urged:

> "The representatives of the Second International and of the Vienna Working Union have assembled in Hamburg to combine into one united organization. That is their affair and we do not address ourselves to them for the purpose of expressing our opinion upon the historical importance of this fusion. We approach the representatives of the parties assembled in Hamburg, to put to them the question whether they are willing, in common with the Communist International, the Red International of Labor Unions, and the millions of revolutionary workers, to organize the struggle against the dangers which threaten us today. . . .
>
> "We do not wish to disturb old sores. But we must remind you that it was solely due to the abdication of the Second International in July, 1914, that the world war was possible which cost ten million human lives—that thanks to this abdication the working class today is divided and delivered up to capitalism.
>
> "We ask you: Will you once again be guilty of inactivity in the face of this new danger of war? . . . Will you look idly on while the German proletariat bound hand and foot is delivered over to the most ruthless exploitation by Entente and German capital?

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> These questions demand more than an answer in mere words, in resolutions—there are of little value. The only answer which has any value is an answer in terms of deeds. . . ."

But what was the answer of the Second International? Fritz Adler made the following declaration at the Hamburg Congress:

> "The Communists—this time in the form of a committee for combatting war danger and fascism—have sent us various printed invitations to join them in forming a united front. Today they sent us an ultimatum, which has to be answered by tonight, as to whether we will negotiate with them at this congress or not, and whether we will give them the opportunity of explaining their projects here.
>
> "Our organization committee is of the opinion that we are obviously not in a position to put any further burdens on this congress which is already overburdened with difficult tasks, the more so as the negotiations proposed offer very little prospects—at least in the opinion of the organization committee—of our coming to any agreement with the Communists."

The Communist International is not yet convinced that today the Second International is sincere in its proposals. In its Manifesto printed March 5, the Communist International takes cognizance of the unity proposals of the S.L.S.I. and again expresses its readiness for united action. The Manifesto states:

> "The Bureau of the Labor and Socialist International published on 19th February last a declaration on the readiness of the social democratic parties affiliated to this International to form a united front with the Communists in order to fight against the fascist reaction in Germany. This declaration stands in sharp contradiction to the whole of the previous actions of the L.S.I. and social democratic parties. The whole policy and activity of the L.S.I. hitherto justifies the Communist International and the Communist Parties in putting no faith in the sincerity of the declaration of the L.S.I. Bureau, which makes its proposal at a moment when in a number of countries and before all in Germany, the working masses are taking into their own hands the organizing of the united front. In spite of this, however, the Executive Committee of the Communist International, in view of fascism, which is unchaining all the forces of world reaction against the working class of Germany, calls upon all Communist Parties to make yet another attempt to set up the united front of struggle with the Social Democratic workers through the medium of the Social Democratic Parties."

The Communist International has no illusions as to the willingness of the Social Democratic leaders to change their policy, but despite this proposes that the Communist Parties throughout the world shall approach the Social Democratic organizations to make another effort to set up the united front of the workers in co-opera-

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tion with the Social Democratic parties. The Communist International Manifesto reiterated its basic position on the united front and also on its estimation of the Social Democratic leaders, their actions and their role.

Only the united struggle of the workers can defeat the capitalist offensive and the Communist International therefore again emphasizes this in the Manifesto by stating:

> "The E.C.C.I. makes this attempt in the firm conviction that the united front of the working class, on the basis of the class struggle, will be able to repel the offensive of capital and fascism and to accelerate extraordinarily the inevitable end of all capitalist exploitation."

Does the Communist International Manifesto mean a change in the basic line of the Comintern with regard to the united front? Of course not! The line of the C. I. is and always has been one of striving to unite the workers for revolutionary struggle with the aid of its basic united front policy. The reference to the thesis of 1921 emphasizes that in certain periods *the form of the tactics of the united front must necessarily change* to conform with changing situations. The Sixth World Congress re-emphasizes this fundamental principle:

> "These tactics while changing the *form*, do not in any way change the *principal content* of the tactics of the united front."

The Communist International from its very inception advocated the united front and made it a programmatic question during the entire period of its existence. At all times it has adopted such tactical approaches, as the actual situation and the relationship of class forces, of the Party forces, etc., required. Up until the Ninth Plenum of the E.C.C.I., the Communist International clearly carried out the united front tactics as one applicable, under varying situations; the united front from below, the united front from the top, and the united front from both the top and below, as an accepted part of the basic tactical line of the Communist International. This was changed at the Ninth Plenum, because of the change that had taken place in the situation at the time. The Communists are not in principle opposed to agreements with other parties concerning joint activities, but these agreements can be entered into only if they really further the interests of the workers.

The change *in the form* of the tactic of the united front at the Ninth Plenum was necessary at a time when the Social Democrats were openly being used by the bourgeoisie as the government party, and everywhere had been drawn into the state apparatus, in England, Germany, Czecho-Slovakia, in Austria. Here the Social

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Democrats and the reformist trade union heads were bound up completely with the state apparatus of the bourgeoisie and became their instruments in carrying through their program.

During this period the leaders of the Second International and the various Socialist parties completely accepted the idea of a new stage in the development of capitalism, that revolved entirely around the idea of class collaboration and class peace. These theories were interwoven with the position they occupied in the rule of the bourgeosie at that moment. Obviously in such a period it became necessary to discontinue the policy of having any united front relations with them whatsoever. Here also, it is necessary to point out that the Communist International, up to the dissolution of the Anglo-Russian committee, the joint committee of the Russian and English trade unions, had defended this policy against the attacks of the Trotzkyites. This policy was correct up to the point of the general strike in Great Britain, which marked the last sign of the left maneuvers even of the so-called left elements of the International Social Democracy.

Under the conditions of the end of capitalist stabilization, the social basis of Social Democracy is rapidly being undermined.

> "After the crisis caused by the war and the October Revolution social democracy settled down and became consolidated as the party of capitalist stabilization. The end of stabilization of capitalism takes away this basis from under it." (Manuilsky at Twelfth Plenum, E.C.C.I.)

But there is no change in the role of the Social Democracy. It remains the chief force in the working class which disorganizes, demoralizes and prevents the consolidation of the forces of revolution. Everywhere where the Social Democracy has been faced with the alternative of proletarian revolution or a fascist dictatorship, it has chosen the fascist dictatorship. In Italy the Socialists paved the way for fascism. In Poland the Socialists brought Pilsudski to power. In Germany they chose fascism as against revolution.

The complete capitulation of the German social democrats as reported in the *New York Times* of March 31 clearly shows what path they will follow. It is not the path which leads to working class power, to the proletarian dictatorship, and which alone can emancipate the German masses. The special cable to the *New York Times* states:

> "Early withdrawal of the Socialist Party in Germany from the Socialist International is forecast as a sequel to today's resignation of Otto Wels, the Party's first chairman, from the international group.... Since it was outdistanced by the National Socialists in the 1932 elections and obliterated as a parliamentary factor in the

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Nazi landslide of March 5, the once powerful German Labor Party, reading the handwriting on the wall, *is now compelled to undergo a transformation that will bring it more nearly into harmony with the new order of things*. . . .

"The conditions *under which it will be tolerated* have not yet been clarified, but it is assumed that they will be strongly influenced by the recasting of German trade unions about to be undertaken by the Hitler government. That the party will be strongly 'nationalized' is taken for granted, and *the Party's heads apparently are completely reconciled* to such a rebirth, as Herr Wels, in his statement in the Reichstag last week, *announced its readiness to undergo a reconstruction that would take cognizance of the new political and economic conditions*." (Our emphasis.)

The workers will soon realize that the entire Second International, each of its affiliated sections, which has acted as the international of social reforms, has not changed its policy even though many sections of it come forward with revolutionary promises, of socialism in our day, etc. But these "left" maneuvers of the Second International are directed primarily to utilize the anti-capitalist sentiments of the masses to save capitalism. The whole essence of this program is seen in the capitulation to Hitlerism in Germany, and the actions of the Second International in instructing the Socialist parties not to enter into any united fronts with the Communists until it investigates the question further.

The Socialist Parties now come forward with another maneuver in order to prevent the unity of the working class. They propose a "non-aggression pact." They argue that if Litvinoff in the Soviet Union can agree to non-aggression pacts with capitalist countries, then certainly the Communist International can sign a non-aggression pact with the Social Democrats. Further, they argue, that after a trial period of "good behavior" they may unite with us. In this way the social democracy exposes its unwillingness to lead a struggle against the fascist offensive of the capitalist class, against imperialist war. It again attempts to further deceive the masses under its influence.

The Manifesto of the Communist International cannot and does not forget the sins of the Social Democracy. It cannot and does not forget "that the main obstacle to the formation of the united front of struggle of the Communist and Social Democratic workers was and is the policy conducted by the Social Democratic Parties, who have exposed the international proletariat to the blows of the class enemy." These blows of the enemy can be defeated if the unity of the working class is established. This is the decisive need of the day. It is on this basis that the Communist International again calls for the establishment of united actions of the Social Democratic and

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Communist organizations. In entering such united fronts the Communist International points out that "without a concrete program of action against the bourgeoisie any agreement between the parties would be directed against the interests of the working class." Only on agreements which direct the main fire against the onslaughts of capitalism upon the conditions of the workers will the Communists agree during the course of the struggle to refrain from any criticism of the Social Democratic organizations. For without a concrete program of action there can be no effective struggle. The Communist International enumerates the conditions as the basis for the agreements.

The first condition is the organization of "defensive action against the attacks of fascism and reaction" by "mass protests, strikes" and the organization of "committees of action" in the factories, in the neighborhoods, among the unemployed. The second condition is the joint organization of the fight against wage cuts, attacks on social insurance and unemployment benefit, etc., through "meetings, demonstrations and strikes." The third condition dependent entirely upon the above is stated as follows in the Manifesto:

> "In the adoption and practical carrying out of these two conditions the E.C.C.I. considers it possible to recommend the Communist Parties, during the time of common fight against capital and fascism, to refrain from making attacks on Social Democratic organizations. *The most ruthless fight must be conducted against all those who violate the conditions of the agreement in carrying out the united front as against strikebreakers who disrupt the united front of the workers.*"

* * * * *

The Manifesto of the Communist International is a call to action to the world proletariat. The Communist Party has already in its call to the American Federation of Labor, the Socialist Party, the Conference for Progressive Labor Action taken the first steps to initiate the development of the united front actions against the increased attacks upon the standards of living of the masses, against imperialist war and for the support of the German proletariat in its struggle against fascism. The most energetic activity must be conducted to develop the united struggles of the American toilers against the capitalist offensive, solidifying the proletarian forces in preparation for the final struggle against capitalist exploitation.

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The Banking Crisis In the United States

By ANNA ROCHESTER

MARX in the third volume of *Capital* analyses the credit system and the role of the banks as dealers in credit. The credit structure has grown more complex since Marx made his analysis, but the underlying principles have not changed. They are important for the understanding of the present banking crisis.[1]

Broadly, the development of credit which has accompanied the development of industry under capitalism has two bases. First, in the simplest circulation of commodities, whenever payment was postponed a relation of debtor and creditor was set up.

> "With the development of commerce and of the capitalist mode of production . . . this natural basis of the credit system is extended, generalized, elaborated . . . commodities are not sold for money but for a written promise to pay for them at a certain date. We may comprise all these promises to pay for brevity's sake under the general category of bills of exchange. Such bills of exchange in their turn circulate as means of payment until the day on which they fall due; and they form commercial money in the strict meaning of the term. To the extent that they ultimately balance one another by the compensation of credits and debts, they serve absolutely as money, since no transformation into actual money takes place. Just as these mutual advances of the producers and merchants to one another form the real foundation of credit, so their instrument of circulation, the bill of exchange, forms the basis of credit money proper, of bank notes, etc. These do not rest upon the circulation of money, whether it be metallic money or government paper money, but upon the circulation of bills of exchange." (pp. 469-470.)

Banks buy at a discount these various "bills of exchange" which in American bank statements appear as "discounts" in the item "loans and discounts" and also as "acceptances." In the United States, "commercial paper" is the broadly comprehensive term corresponding to Marx's broad use of "bills of exchange." Marx speaks of their forming the basis of credit money proper, bank notes, etc. In the United States, Federal Reserve notes, the commonest form of five- and ten-dollar bills in circulation, were until 1932 based on

[1] Page references will be to *Capital*, Vol. III, Kerr edition.

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a gold reserve of at least 40%, supplemented up to their total face value by certain types of prime commercial paper. The Glass-Steagall Act of 1932 permitted the substitution of government bonds for commercial paper as the supplementary collateral for Federal Reserve notes. This was a first step toward technical inflation. The new emergency currency is issued against government bonds *or* any commercial paper—however poor—without any required gold reserve.

The second and distinct basis of the modern credit system was the "development of the money trade."

> ". . . the care of reserve funds of business men, the technical operations of receiving and issuing money, of international payments, and thus of the bullion trade, are concentrated in the hands of the money traders. Borrowing and lending money becomes their particular business. . . . Generally speaking, the banking business on this side consists of concentrating the loanable money-capital in the banker's hands in large masses, so that in place of the individual money lender the bankers face the industrial capitalists and commercial capitalists in the capacity of representatives of all money lenders. They become the general managers of the money-capital. On the other hand, they concentrate the borrowers against all lenders, and borrow for the entire world of commerce. A bank represents on one hand the centralization of money-capital, of the lenders, and on the other the centralization of the borrowers." (pp. 472-473.)

Lenders include all who deposit money in a bank, and the bank's loanable capital includes temporarily idle funds of commercial concerns, the deposits of money-capitalists, public revenues placed with the banks until they are needed, and the savings of workers and small-salaried members of the middle class. A bank's basic initial capital comes from the capitalists who bought the bank's stock when it was first issued, but the major part of its loanable capital comes from funds lent to the bank by depositors.

Marx makes a sharp distinction, however, between the small depositors and the big money-capitalists.

> "Small amounts, each by itself incapable of acting in the capacity of money-capital, are combined into large masses and thus form a money power. This aggregation of small amounts must be distinguished as a specific effect of the bank system from its intermediate position between the money-capitalists proper and the borrowers." (p. 473.)

The amount of currency in a developed capitalist country is always far less than the total bank deposits or "the mass of loan capital."

> "By the quantity of the currency we mean here the sum of all bank notes and all hard cash existing and circulating in a country,

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> including the bullion of precious metals." (p. 586.) "Moreover, in times of good business, before speculation proper breaks loose, when credit is easy and confidence growing, the greater portion of the functions of circulation is settled by a simple transfer of credit, without the intervention of metal or paper money." (p. 587.)

In 1929, when total deposits (including saving banks) were 53.8 billion dollars, the cash in the banks was about $800,000,000; and the total currency in the United States, including cash in banks, and bullion reserve of United States Treasury and Federal Reserve banks, was only just over 8.5 billion dollars. Throughout the period of speculation preceding the crash there was no shortage of currency.

Depositors' demands for cash can be met ordinarily with a relatively small reserve of currency in the banks, because, except in times of financial panic, these demands follow certain established averages which a bank always arranges to cover with a wide margin to spare. But the credit structure of the bank—the sum total of its deposits and other liabilities—is "sound" only if the bank has genuine assets,—that is, loans outstanding and commercial paper that will be met on time, government bonds and other stock that can be sold at a stable price. Returns on these assets will be received chiefly in checks or other forms of credit money, but so long as business is active and the market prices for bonds and stocks stay at least as high as the prices for which they are carried on the books of the bank, the bank is clearly "sound."

FICTITIOUS CAPITAL

Marx classifies as "fictitious capital" many of the assets of banks, This phrase refers to capital values divorced from the means of production. So government bonds, the capitalist's most stable and "safe" investment, represent fictitious capital.

> "The State has to pay to his creditors annually a certain amount of interest for the money loaned from them. . . . The capital itself has been consumed, spent by the State. It does not exist any longer. What the creditor of the State possesses is 1) a certificate of indebtedness from the State, amounting, say, to 100 pounds sterling; 2) this certificate gives to the creditor a claim upon the annual revenues of the States, that is, the annual tax revenue to a certain amount, say, 5 pounds, or 5%; 3) the creditor may sell this certificate at this discretion to some other person. If the rate of interest is 5%, and the security given by the State is good, the owner A of this certificate can sell it, as a rule at its value of 100 pounds sterling to B . . . But in all these cases the capital, the progeny of which (interest) is paid by the State, is illusory, fictitious capital. Not only does the amount loaned to the State exist no longer, but it was never intended at all to be invested as capital, and only by investment as capital could it have been transformed into a self-preserving value. . . . The possibility of selling his claim on the revenues of the state represents for A the possible return of his principal. . . . This trans-

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> action may be multiplied ever so often, the capital of the state debt remains a purely fictitious one, and from the moment that the certificates would become unsalable, the fiction of this capital would disappear." (pp. 546-547.)
>
> "The stocks of railroads, mines, navigation companies, and the like, represent actual capital, namely the capital invested and used in such ventures. . . . This does not exclude the possibility that they may become victims of swindle. But this capital does not exist twofold, it does not exist as the capital-value of titles of ownership on one side and as the actual capital invested, or to be invested, in those ventures on the other side. It exists only in this last form, and a share of stock is merely a title of ownership on a certain portion of the surplus-value to be realized by it. . . .
>
> "The independent movement of the value of these titles of ownership, not only of government bonds but also of stocks, adds weight to the illusion that they constitute a real capital by the side of that capital, or that title, upon which they may have a claim." (p. 549.)

Besides government bonds and industrial stocks, there are also corporation bonds which are fictitious capital and have their "independent movement" of value. Like stock they "represent actual capital, namely the capital invested and used in such ventures." But they are different from stocks because corporation bonds represent capital loaned to a corporation for a stated period. The corporation undertakes to pay a stated amount of interest on the loan and, at the end of the period, to redeem the bonds at their full face value. Stock represents not loaned capital but ownership. Theoretically the stockholders *are* the corporation. If the corporation has bonds outstanding, a portion of the surplus value taken from the workers by the corporation has to go to the bondholders (just as taxes and interest on bank loans and certain other so-called fixed charges have to be met) before the stockholders can reckon their portion of the surplus value. It is only the stockholders' portion of the surplus value which the capitalist recognizes as the profits of a corporation.

Unlike the bondholder, the stockholder has no claim on the corporation for the capital which the first owner of the stock paid in originally to the corporation. A very few of the employee stockholder schemes make a special provision for redeeming employee stock, but mostly employee stockholders like others can withdraw their capital from the corporation only if the corporation is liquidated. And this is a meaningless provision, for practically corporations are almost never liquidated unless they are either 1) bankrupt, in which case the claims of bondholders and other creditors must be settled in full before the owners—stockholders—get anything; or 2) absorbed by another corporation, in which case the

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owners usually receive stock in the corporation into which the liquidated company has been merged.

The "independent movement of the value" of fictitious capital (*i.e.*, trading prices of government bonds, corporation bonds, and stocks) reflects the capitalists' expectation of receiving portions of the surplus value created by the workers. But the total of surplus value created has been declining with the steady decline in production. Also surplus value stored up in unsold goods has not been transformed into money and cannot be made available to the various capitalists which have a claim upon it. Therefore, the "values" of fictitious capital which collapsed in 1929 have continued to fall, and millionaires have had tremendous "paper losses" because market values of their investments have skidded down from the peak of the boom.

Obviously, the term "fictitious capital" applies equally to the holdings of the individual capitalist and to the investment assets of the ordinary bank. It is not peculiar to the bank's credit machinery. But it is of special importance to the capitalist banking structure. To the individual capitalist "paper losses" when bond prices fall may even be convenient to offset his continuing income and make it unnecessary for him to pay an income tax.

To banks, the decline in bond prices and the sharp fall in stocks have been one reason for disaster. For a bank must be able at all times to sell its investments for prices at least as high as their value on the books of the bank. A bank is "liquid" if it has besides its cash reserves a high percentage of "good" notes and commercial paper coming due in steady rotation, plus bonds which it can sell at a moment's notice at a stable price. Its assets are "frozen" if business concerns have to postpone payment on their notes and if bonds which will ultimately be worth their face value can be sold only at a loss. If the decline in assets is so great or the freezing process continues so long that the bank cannot meet its liabilities, the bank has to admit failure and go out of business.

For the capitalists, smooth functioning of banks is necessary not only to insure profits for the owners of bank stock, but for the successful functioning of industrial corporations. With the increasing elaboration of processes and the arrival of world-wide markets, the interval was lengthened between the first handling of raw materials and the returns from the sale of finished products. This was the material basis for the expansion of credit into a vast, complex mechanism essential to the operation of capitalist industry.

II.

"In proportion as banking operations develop, and as they become concentrated in a small number of establishments, the banks

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> become transformed, and instead of being modest go-betweens they become powerful monopolies dealing with almost all capital, and with almost all capitalists (and small proprietors); and similarly dealing with the biggest part of the means of production and of the sources of raw materials of a country or of several countries. The transformation of numerous little intermediary concerns into a handful of monopolists constitutes one of the essential elements of the change from capitalism to capitalist imperialism." Lenin, *Imperialism*, p. 30, British edition.)

Commercial banking in the United States offers a very different picture from the concentration in Great Britain, where the Big Five banks had on January 1, 1933, over two-thirds of all the deposits in commercial banks in Great Britain and Ireland. From their London headquarters branches reach out into every town of any size. Such an arrangement is the envy of the leading commercial banks in the United States, still restrained by law from setting up even State-wide branches. But this legal hold-over from the earlier days of capitalism will probably be eliminated shortly.

Meanwhile, during the last twenty years the relative importance of the largest ten commercial banks in New York City has increased threefold, as their share in total commercial bank deposits rose from 6% to about 19%. Before the bank holiday, the first 50 banks in the United States had 42% of all deposits in commercial banks.

Leading New York banks have dealings, of course, with all the principal industrial corporations in the United States, and most of the big corporations are linked with them through cross-directorships. It is partly through the strength and diversity of the Morgan industrial interests that the Morgan firm holds its position as the strongest single force in commercial banking.

Taking the country as a whole, at least $17 billion or nearly half of the $36.5 billion of commercial bank deposits of January 1, 1933, were in banks either directly controlled by Morgan or Rockefeller or functioning within their spheres of influence.

III.

> "The last cause of all real crises always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way, that only the absolute power of consumption of the entire society would be their limit." (p. 568.)

We do not need to review the factors which have brought capitalism to the present general crisis, deeper than all previous crises and far more hopeless of a peaceful capitalist solution. Increased productivity of the workers along with increased unemployment and a decline in total wages paid to the working class; partition of all

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"undeveloped" world areas except the Soviet Union, among the imperialist powers as colonies or semi-colonial spheres of influence; no new outlets available for the clutter of products which jobless and increasingly exploited workers have no money to buy; a burden of debt fastened by the imperialists on their colonies and on the defeated nations in Europe, and, last but not least, the successful and rapid development of workers' industry in the vast territory of the Soviet Union—all these elements in the general capitalist crisis are well understood by readers of *The Communist*.

Also, it is clear from the close interrelation of banks and industry that this deep capitalist crisis must have put a tremendous strain upon the banking system. The fact that a few banks closest to the financial rulers have been able to maintain high rates of dividend payments has tended to conceal the increasing weakness even of large and important banks. But the capitalists had begun to be greatly worried over their banking situation at least a year and a half before the bank crisis flared into a nation-wide bank holiday.

Bank failures had been epidemic in small towns ever since the crisis of 1920-21. The serious situation of the farmers, overloaded with mortgages which they had taken on when farm values were booming during the war and could not carry after the collapse of war prices, reacted on the small banks which were tied up with agriculture. These small bank failures did not greatly affect the city bankers, and in fact Wall Street was openly pleased over the weeding out of some 5,000 independent rural bank competitors which had failed before 1929.

While the farmers were falling into a more and more desperate financial situation, and certain other industries—especially coal and textiles—were recognized as "sick" because their surplus capacity had grown to a point that pulled down prices and profits, the big prosperity boom was under way. It had a genuine industrial basis in the construction, auto, radio, movie, and rayon industries,—although much of this industrial growth was artificially supported by instalment selling. And the saturation of the instalment market played a part in the crash of 1929.

Those banks that were tied up with the boom industries, or were lending the billions that went into speculation in the rising stock market, in inflated city real estate values, and in the new public utility pyramids, made pretty profits for their stockholders so long as the boom lasted.

Some of the most respectable banks, supposed to be fortresses of "safe" capitalist conservatism, became involved with Kreuger

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and Insull who will go down into history as the outstanding crooks and super-swindlers of the post-war boom. Since the crisis other irregularities have come to light, involving bank officials themselves, like the Stevens family in Chicago who looted the Illinois Life Insurance Company and Charles E. Mitchell and associates who played with National City Bank funds for their own enrichment. It is noteworthy that Mitchell was arrested solely on a charge of manipulating his own property to avoid payment of income tax. The far more serious breach of trust in his handling of depositors' money may be brought before the grand jury, but was not given as cause of his arrest.

Of course capitalism breeds crooked dealing. Bright boys tutored from childhood in the art of living on wealth produced by the workers and appropriated by the capitalist class are bound to reconstruct the rules of the capitalist game to suit their own personal advantage. This always has happened and always will until class exploitation and class robbing of the workers are abolished. Liberals crying out about "irregularities" always refuse to recognize them as inherent in the capitalist system.

When the crash came, most of the important banks were carrying loans backed by market prospects that had vanished, or by fictitious capital whose value had collapsed.

At first, however, nothing happened. No big New York bank went under during the first weeks of the general crisis. Financial writers congratulated their capitalist readers on the beauties of the Federal Reserve System which had "saved" the banks when the stock market crashed, and showed that the days of banking panics were passed. But then, in 1930, twice as many banks suspended as in 1929, including 11 with capital of over $1,000,000 each. And in 1931, especially during the last four months, bank failures rose to a record peak, both for the number and size of the banks involved.

FINANCIAL CRISIS OF 1931

During 1931, American capitalists had to admit that the crisis —which they still call a "depression"—was world-wide and that their interests were closely involved in the financial crisis of capitalist Europe. In May, the Rothschild bank, Credit Anstalt, in Vienna failed. German banks were threatened and were saved only by prompt financial aid from the German government (at the expense of the German workers). But the German government itself was financially shaken and the impossibility of continuing reparation payments at the agreed scale was openly evident. Hoover tried to bolster up the status of the large long-term investments in Germany by his famous moratorium, postponing all inter governmental pay-

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ments for one year from July 1, 1931. It was also obvious that the more than $750,000,000 of short-term credits advanced by American banks to German capitalists could not be met on time and in August, 1931, a "standstill agreement"—twice renewed and still in effect—was arranged by leading New York banks.

In September, 1931, the Bank of England declared that it could no longer meet its obligations in gold, and the British pound dropped more than 20% in value. This was both good and bad for American capitalists, with one of those inner contradictions that run through the entire capitalist system. It gave Wall Street—with its stable gold dollar—an immediate spurt forward in the race with London for supremacy as the world money center. But it reacted disastrously on many foreign bond issues largely owned in the United States. Many small countries, lacking stable currencies of their own, had used the British pound as the measure of value in foreign trade. The decline of the pound increased overnight the burden of foreign debt for Great Britain itself, for British capitalists, and for many countries in which American capital had been heavily invested. By the end of 1931, 19 countries were off the gold standard, and bond issues totaling about $3 billion had been defaulted by governments, chiefly in Brazil, Chile, Mexico, Peru, Bolivia, China, and Turkey. Hungary and Bulgaria had declared that they could not make payments on principal, but were still paying interest. These were private investments, quite distinct from the intergovernmental war debts. Also, with the decline of the pound, Britain adopted a protective tariff, and this set off a series of new high tariff laws in other countries, all directly cutting down the prospects for American foreign trade.

Meantime, capitalists in the United States in the mad race of each corporation to make profits in spite of the sharp decline in production, and to lower prices on possible exports for competition with countries having depreciated currencies, were putting over mass wage cuts which narrowed still further the possible market for American products. All the indexes of production, business activity, prices, and employment continued to fall. The surplus value which the capitalist class could profitably extract from the workers became inadequate to support the enormous claims represented by investments in bonds and mortgages, to say nothing of "profits" for the owners of stock.

As a direct result of this deepening of the general crisis, more and more banks had to admit that their assets were frozen and greatly reduced in value. The nervousness of the bankers found ready response in the White House, and Hoover, in October, 1931, advised the setting up of a National Credit Corporation by which strong

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banks would extend aid to weak banks. Then, as soon as Congress convened in December, he demanded the setting up of the Reconstruction Finance Corporation which could pump fresh resources, backed by the federal treasury, into the treasuries of the banks. And because railroad bonds make up the most important part of the non-government investments of commercial banks, railroads were also to receive federal aid.

Temporarily, this checked the tide of bank suspensions, which had risen to 522 during the one month of October, 1931, and continued at a record high through January, 1932.

But the bank problem had not been solved. The "loans and discounts" which make up the principal item among assets of commercial banks had declined sharply, while "investments" which are less liquid had risen. Both figures have to be read with caution, for the Comptroller of the Currency in 1931 authorized banks to enter their investments at a figure above the current market prices. With federal permission to falsify their statements in this respect, banks also undoubtedly continued to include loans and discounts on which they knew they would never receive a penny! The decline in "net profit per $100 of capital funds," as averaged for all banks which were members of the Federal Reserve System, tells a truer story. This fell from $8.75 in 1929 to $4.56 in 1930 and to 19 cents in 1931. (The 1932 figure is not yet available.)

No wonder, therefore, that the capitalists who were "in the know" began to withdraw cash. Hoarding on a large scale began in the late months of 1931, and it continued right up to the morning of March 4, 1933.

In spite of the billion dollars poured out to the banks by the Reconstruction Finance Corporation, hundreds of active banks were more and more hopelessly squeezed between the decline in value of their assets and the demands they were expected to meet. Banks suspended during 1930, 1931, and 1932 had totalled more than 5,000 and their aggregate deposits had been above $3 billion.

THE CRASH OF 1933

But the first big break in the lines came in February, 1933, with a run on the biggest banks in Detroit, followed by a State-wide banking holiday in Michigan. The effects of this were immediately conveyed to other parts of the country and a nation-wide run began. New York banks were drained not only by big New York hoarders but by the demands for currency in other States to which the holiday had spread. Over $226,000,000 in gold was withdrawn from the Federal Reserve Bank in the one week ending March 1, and about half of this was shipped abroad by big Amer-

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ican hoarders. At the same time, demand for Federal Reserve loans was drawing out additional millions of Federal Reserve notes. The gold ratio back of the notes and deposits of the Federal Reserve System fell from 57.7% on February 21 to 50.4% on March 1. In the Federal Reserve Bank of New York, the ratio was under the average for the system, and by Friday night, March 3, the New York ratio had dropped not only below the legal requirement of 40%, but, rumor says, down to 30% or less.

The bankers certainly did not want a banking holiday, for it interrupted the profits of their stronger commercial banks, and the profits from stock exchange gambling and all the other manipulations of surplus value for the benefit of the financial world. But the crisis forced their hand, and now that all the $100,000,000 banks in New York, Chicago, and other big cities except Cleveland and Detroit are safely opened without restrictions, Wall Street is finding several points for satisfaction.

The technical defects of an organically loose banking "system" have been played up so continuously by the capitalist press as one principal cause for the weakness of the smaller banks, that the ground is now well prepared for passage of a federal law permitting national banks to engage in wide-scale branch banking.

Centralization of commercial banking has moved forward with a jump. A clash is on between Wall Street powers who frankly want to see all the "weak sisters" put out of business—except, of course, the weak ones among the largest few—and the back country bankers who are demanding their right to federal aid and further time for reorganization. At the time of writing, about 3,500 banks, from among the 18,000 which were doing business when the banking holiday began, have not reopened. Deposits in closed banks and in those opened only under special restrictions are variously estimated at from $5 billion to $10 billion. The *Wall Street Journal* guesses that they are $6 billion. But thanks to the nation-wide holiday, the capitalist press has been able to hide this tremendous break in the commercial banking "system" behind a veil of surprise and satisfaction over the great number that have resumed business. The more banks close down entirely, the greater is the immediate loss to depositors; but on the other hand, the more shaky banks remain open, the greater will be the demand for emergency currency and the resulting inflation. Either way, Wall Street passes on the chief cost of the crisis. The more banks are closed, the greater are the loss to small depositors and the pressure put upon home owners to meet their mortgages. Increasing inflation, on the other hand, will bear most sharply on the working class.

Emergency currency has been launched without opposition, and

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this marks a definite step toward inflation. The capitalists intend that it shall lead to an increase in prices. The Whaley-Eaton confidential service for capitalists expects a rise of from 16 to 25 per cent, but adds that

> " . . . the situation is full of danger and uncertainties, first because the public may be enticed into expecting an inflation of far greater proportions than is intended and, secondly because the surpluses [of commodity supplies—A. R.] still exist and it is yet to be determined if inflation can put trade into movement."

A rise in prices would boost profits for the capitalists and cut wages for the workers. This same Whaley-Eaton letter expresses surprise that the Roosevelt administration should slash wages because "It is not usual to reduce wages in the face of an approaching inflation." But workers are not surprised. They know that every new stage in the deepening of the crisis involves increasing the intensity and harshness of attacks against the working class.

Inflation had been predicted by Marxian economists as an inevitable step in the deepening of the crisis in the United States. So, at the Twelfth Plenum of the Executive Committee of the Communist International, when Comrade Kuusinen was analyzing the transition of world capitalism to a new phase *without* stabilization, he said:

> "The uniformity of the world's currency has collapsed. There is not a single country where the question of the depreciation of money has not been raised. In America this has become a question of the day. . . . Who is prepared to wager today that in a year's time France or America will still have a stable currency?"

While the emergency currency has been released from any relation to gold reserves and could now legally be issued up to a volume even greater than the total federal debt. Only $14,228,000 of these new Federal Reserve bank notes had been placed in circulation up to March 29. The capitalists hope to keep the inflation neatly within bounds, and their ability to do this will depend chiefly on two financial factors which in their turn depend on revival of industry and rise in exports. As yet the bank holiday has brought no pressure to ship gold abroad. The gold embargo has not pulled down the dollar in foreign exchange, and if the balance of payments remains favorable to the United States and the federal budget is balanced, the gold embargo can continue without pulling down the dollar.

As a safeguard against extreme inflation, the balancing of the federal budget remains one basic point, and as in every other capitalist country, this will be accomplished, if at all, chiefly at the expense of the working class. So already the Roosevelt economy bill has reduced the federal budget by half a billion dollars through

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cutting wages of federal employees and cutting out certain benefits to veterans. Roosevelt has been given power to reorganize the entire pension system, including the war risk insurance provisions. But not a cent is proposed to be taken from appropriation for war preparedness,—in fact, Swanson will demand new naval building appropriations, to make effective the *increases* allowed under the London Naval Agreement for the *reduction* of armaments. No talk, even, of refunding the long-term government debt at a lower rate of interest. No proposal to increase taxation of capitalist incomes, but rather renewed talk of a general sales tax which would raise the prices of necessaries for half-starved workers and place no appreciable burden upon the rich.

Workers must not be held back by the question of a balanced federal budget from demanding immediate large-scale appropriation for unemployment relief. In spite of the crisis, the capitalists have wealth and income which the government has not tapped and which must be drained to provide funds for unemployment relief.

IV.

The banking crisis is still far from solved. "Sound" banks and insurance companies are still carrying billions of dollars in railroad bonds and real estate mortgages that represent the inflated capitalizations of the boom years and that cannot be "supported" with the smaller volume of surplus value now available. Banks recognized as "weak" are to receive more federal credit to tide them over until the crisis is passed. The United States has definitely started on the road of inflation of the currency.

Only in the Soviet Union has there been no production crisis, no money crisis and banking crisis, although the ratio of gold reserve back of Soviet currency is below the gold reserve ratios in Great Britain and the United States. Comrade Stalin, in his report to the Joint Plenum of the Central Committee and the Central Control Commission of the C. P. S. U. in January of this year, explained what secures the stability of Soviet currency within the Soviet Union:

> "Of course, it is not the gold reserve alone. The stability of Soviet currency is secured, first of all by the enormous quantity of goods in the hands of the State and put into circulation at stable prices. Who among the economists can deny that this security, which is used only in the U. S. S. R., is more real security for the stability of the currency than any gold reserve?"

This technique is possible, of course, only in the proletarian State, and there because it is tied up with steady production and increasing power of consumption.

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In the United States, the banking and currency crises are part and parcel of the general crisis, and for this there is no peaceful solution under capitalism. Capitalist industry will continue to slide down the spiral of declining sales, declining production, declining employment, declining profits. Nothing but a tremendous increase in mass purchasing power could start an upward trend, and this the capitalist system is essentially incapable of providing. On the contrary, the only driving power of capitalism is profits for each concern, and each concern in its quest of profits employs the fewest possible workers and pays the lowest possible wages, thus further reducing the purchasing capacity of the masses. The sharper the decline in markets, the more each capitalist concern attempts still further to cut down the purchasing power of those whom it employs.

The Roosevelt-Perkins plan for "relieving" unemployment is a futile gesture. It would "give work" to less than 2% of the nearly 17,000,000 jobless, and to these 250,000 it would pay the smallest possible wages. Furthermore, Roosevelt's economy bill—his first step toward balancing the budget—takes half a billion of purchasnig power immediately away from veterans and public employees. The turn to inflation shows the same contradiction: It aims to bolster up the weak banks and to raise prices for the benefit of the capitalists, regardless of the fact that every rise in prices cuts the real wages of the workers and thereby further reduces the purchasing power of the masses, further slows up the demand for goods, stalls production, and deepens the industrial crisis which is ruining the banks.

Foreign markets will give no fresh outlet to stop the downward spiral, for every capitalist country is faced with the same problem of crisis. Behind their tariff walls all are feverishly preparing to raise prices at home and to dump cheaper goods abroad. Wage cuts, speed-up, rationalization, increased mass unemployment are the only perspective which the capitalists can offer the working class—these, and *War*.

And the American capitalists are openly encouraged by the increasing imminence of war in Europe. The *Annalist*, for example, in its issue of March 17, 1933, says:

> "That there is a large possibility of a European war in the very near future can hardly be denied recognition. . . . We were lifted from a business depression in 1914 by the outbreak of a great war. It would be a curious repetition of function if another European war should again come to our industrial rescue."

Not curious, but inevitable. For a "great war" is the only solution remaining for the capitalist class.

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But for the workers not imperialist war but war upon capitalism —revolution—is the way out of the crisis. The whole future of the working class depends on the workers' resistance to all capitalist attacks, on the workers' struggle against imperialist war, on their organized mass struggle at every point against the capitalist offensive. For the end of the crisis of mass hunger and mass suffering will not be in sight until we have a workers'state where production is planned in relation to the needs of the workers and no capitalist class exists to rob the workers of value which the workers create.

Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung and flourished along with it, and under it. Centralization of the means of production and socialization of labor at last reach a point where they become incompative with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.—MARX. (*Capital* Vol. I)

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The End of Relative Capitalist Stabilization and the Tasks of Our Party

By EARL BROWDER

EXCERPTS FROM THE REPORT TO SIXTEENTH PLENUM, CENTRAL COMMITTEE, C. P. U. S. A., JANUARY 28, 1933

(*Concluded from last issue*)

WE have made a few efforts along this line, but not yet serious and systematic enough. One can find, for example, Comrade Foster's appearance before the Fish Committee in which he organized his presentation of the Communist position, around the question of American revolutionary traditions and historical development. I made a little attempt along this line in my speech in Newark, N. J., which was widely reported by the capitalist press in New Jersey, a fact which made the *Daily Worker* print this speech also. (*Laughter.*) I mention this especially because this speech has been challenged as politically incorrect and impermissible. Comrade X. has challenged this as a sign of a wrong line on my part along with a good many other things which are wrong with me. I want to develop this and to put it forward as one of the necessary features of the Bolshevik arming of our Party. I want to insist that it is necessary to develop this a hundred times more than we have done so far, rather than discourage the attempts that have been made to make use of the revolutionary traditions of the American working class. I think that Comrade X.'s opposition to this, his belief that this represents a wrong line, proves not that we are wrong, but that he himself has a narrow, right sectarian approach to this and other questions.

A few words about the problems of concentration. I don't think anything is to be gained by repeating all of our formula on the question of concentration, that we have not carried them out, again to say that we will carry them out. I think we must begin to understand, to examine and find what are the reasons why our concentration, which we place as one of the essential features of

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our work, does not develop as we expect it to. I think the basic reason for it is that we still look upon concentration as sort of a thing in itself, we give it certain mystical qualities. We build the word "concentration" around a certain empty space, but we do not fill it with contents, and as a result everybody demands that concentration shall solve his problems and nobody knows what concentration means concretely. We must get rid of this formal conception of concentration. Concentration is not primarily a problem of shifting forces and finances from one place to another. This is merely an incident of concentration and in the majority of times is not required. Concentration must be first of all a concentration of political direction and attention upon a particular spot for the purpose of better understanding its problems and making this understanding the property of all those who have to take part in that work and thereby bring forward and develop the cadres right out of the field of that work, capable of solving the problems of that field.

I think we must absolutely insist upon this character of concentration, the character of drawing new forces out of the point of concentration. At the present time concentration seems to mean to everybody's bringing outside forces into the point of concentration and nothing else. I think we must reverse that a little bit, and all of the bringing in of forces must not be measured by volume but by the quality. Are the concentration forces able to draw new forces out? If not, do not send them in. Their qualities are useless because they develop a sort of parasitism of concentration points which is one of the most dangerous problems we face today. Instead of developing these concentration points we create a field of helpless dependence upon outside forces. This is not concentration. This kills the point of concentration. I think that Pittsburgh is still suffering from the effects of that kind of concenration. It is our fault, the fault of our methods of work, of our understanding of concentration, and we have got to change it. I think that one of the first tasks for every concentration point, district or union, or industry or factory, or section within the district, must be to work out their plan of work on the basis of the development of forces within that industry or locality. That's first and primary; it comes before everything else. And if we give financial assistance from the outside to that place, it should be in the form of supplementary assistance for the purpose of developing it to where it will, step by step, develop its own financial resources, and there must be a definite system by which financial assistance is gradually reduced, preferably a sliding scale.

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Now a few words about the struggle for the Bolshevization of the Party in the various language organizations. In the past period we have had certain struggles in the Bolshevization process in the language field. We had the rise of a sharp right wing opposition in the Lithuanian movement, an opposition which attempted to seize control of the Chicago organ of our Lithuanian fraction and which was defeated only in a very sharp struggle in which we had to mobilize the entire Lithuanian membership of the Party and the Lithuanian mass organizations. We have had, however, a very satisfactory ending of this struggle which greatly improved our Lithuanian language work, deepened it politically and extended its mass base. We turned this obstacle to our work, this blow against us, into an asset, into an instrument for winning new masses.

In the Hungarian field, we had great difficulties with the Hungarian Buro, which developed a certain sectarian fossilization which prevented it from solving the problems and reaching the Hungarian masses, from facing the problems of the new period of struggle. Out of that grew a very sharp factional situation which required a drastic intervention of the Central Committee, of the Political Bureau, a drastic shaking up of the Hungarian Bureau. I think we can report now that as a result of this shake-up of the Hungarian Bureau we now have a Hungarian movement on the road to a real mass development. It is improving its work, stabilizing its paper, and extending the circulation, developing real broad penetration into the non-Party mass Hungarian organizations, which was the place where we had come to a standstill before. I think we can say the Politcial Bureau succeeded in solving the deadlock in the Hungarian work.

With regard to the general question which is central for the whole process of Bolshevizing the Party, that is the question of cadres, the finding and training and developing new leading forces, I want to raise just one or two questions. First, that it is necessary to understand what is a cadre policy. We are beginning to develop a cadre policy in the center. In the districts I do not think our comrades yet know that there is such an animal as a cadre policy. This is necessary. Every district must have systematic, persistent attention to the development of its leading forces, the proper distribution of these forces, know these forces—where they can do the best work, the study of these forces to see what are the obstacles to the development of each one of these forces, the overcoming of these obstacles, giving help. And this can only be done if it is organized. It cannot be left to individual initiative, it must be a definite policy which must be developed, and this must be the result of collective

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work. We must have a cadre policy in every district, and finally in every section and unit, and in every union, by the way. We must develop such an understanding and grasp of the problem of forces and cadres, that we do not solve every question that comes up by inspiration. We cannot have a situation where one day we decide this one way, and another day we decide something else—nothing is by plan, everything is by guess.

This is the cause of much of the bad work of our Party. And this is the reason why we cannot discover new forces. That is the reason why we cannot develop new forces. The moment we get a man, we throw him into some place where there are tremendous tasks and we destroy him. With regard to this whole question of forces, I think one of the best things ever said on this is another quotation from Lenin that I want to read to you. It is much better than anything I can say on it, and I bring it forward as the most important word that can be said on this subject. Lenin said:

> "We should keep in mind that just now, of much greater importance for the purpose of training and teaching, is *action* which teaches those as yet untrained, to embrace our point of view, yes, wholly *our* point of view. There are plenty of such people, never yet did revolutionary Russia posses such a mass of people as now. Never yet was the revolutionary class faced with such exceptionally favorable conditions as regards temporary allies, true friends and involuntary helpmates, as is the case with the Russian proletariat of today. There are plenty of people, masses of them, all that is necessary to do is to throw overboard all thoughts and sayings that keep you lagging behind, and to give full leeway, to open the way to the initiative of the masses."

In my opinion that is the solution of the cadre problem, that is the point that we must emphasize before everything else on this question. Of course, we must have school work. We have made some progress in the development of our school work. I do not want to recapitulate this. Other comrades will give detailed information on the development of our school work. It is sufficient to point out: we have increased the scope and the size of our school work in the center and in the districts. We have enlarged the number of district schools, both night and full time training courses, and the youth have developed systematic school work. All of this is only a beginning. The greatest progress has been in a certain political deepening of this school work and bringing it closer to the practical everyday life. What is still especially missing, is a cadre policy with regard to the product of the school, the following up of the students after they leave the school so that the school attendance does not become a mere incident but rather the beginning of serious development of students for leadership.

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Then the question of the tasks of our Party. I have already dealt with many of the most important of them. I don't intend, in concluding the report, to go over again all those tasks enumerated in the Fourteenth Plenum resolution, and give a catolog of them, or of the present resolution which registers them and adds a few. Just to remain ourselves, what the Twelfth E.C.C.I. Plenum says about our tasks:

> "*C. P. of U. S. A.*: The American Party must mobilize the masses and concentrate chiefly on the struggle: 1) for social insurance, against wage cuts, for immediate assistance for the unemployed; 2) for assistance for the ruined farmers; 3) for equal rights for the Negroes and the right of self-determination for the Black Belt; 4) for the defense of the Chinese people and the Soviet Union. It is necessary to carry out the decision on the turn in the work of the Party and the Trade Union Unity League."

These are our tasks, the tasks of the development of mass struggles—first of all, development in leadership of the strike movement which is going to grow in far larger proportions in the year 1933. The present strike in the automobile industry is an indication of what we shall expect in the coming year. In the mining industry we will have a mass movement of struggle centering around the first of April in which issues of the mining industry will come to a crisis. In the railroad industry we will have a crisis on the question of wages, and struggles around it. In the marine industry we have all the developments for mass struggles, and the importance of the marine industry cannot be overemphasized for our Party and for the revolutionary movement, not only in the United States but of the world. In most of the industries on a larger or smaller scale struggles are brewing. In the unemployed field we have already the development of a national mass movement which is consciously carrying on daily struggles, crystallizing its own cadres, and uniting with the struggles of the employed workers, towards uniting the strike movements and the unemployed movement in one big united front movement to force unemployment insurance. We have special farmers' movements, the mobilization for the struggle for Negro rights. Interweaving with these are problems which we often tend to neglect, such as the winning of the American workers. It is necessary that at this Plenum we make a little step forward in putting this to the fore in a practical way, as one of the tasks of the Party.

We have the various actions around which we mobilize all phases of our work, the action of March 4, the struggle for unemployment relief and insurance which must be comparable in volume and political development to that of March 6, 1930, the Anti-War

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Congress, and the Mooney Congress. Around all of these tasks and struggles, special and general, we must gather the workers under the leadership of the Communist Party, building and Bolshevizing our Party through the process of leading and organizing the mass struggles of the workers, winning them away from the social fascists, defeating the misleaders of the workers, consolidating the workers' united front for the struggle against capitalism in the United States.

EXTRACTS FROM CONCLUDING REMARKS

I will try to make the summing up as brief as possible, as we are all very tired from three heavy days of work. Certain questions, however, will have to be dealt with at some length. First, just a word to emphasize the seriousness of the tasks that are placed upon the Party at the present time. I think that it is sufficient to look at this evening's paper to understand that the entire world is a sort of powder magazine now with a lot of sparks spluttering around everywhere. That this applies not only to international relations but to class relations within each country. In this evening's papers, you see in the headlines spread all over the first page: "Fascists in Office in Germany"; reformist trade unions discussing whether they are not forced to go into the general strike that has already been called by the Communist Party; Hitler announcing that he is going to secure a majority in the Reichstag by outlawing the Communist Party. And inside the United States, news which is almost equally important for us. The New York Life Insurance Company has suspended farm sales as a result of the struggle against these sales in the State of Iowa. It is quite clear that we are already in a period of sharp struggles, clashes between states and between classes, that events are moving with terrific speed. And it is necessary for us to emphasize what this means for our Party, because this requires a terrific speeding up of our work, a speeding up of the tempo of the transformation of our Party. And it is in this sense that we must emphasize the lagging behind, in this sense we must emphasize the utter inadequacies of all of our work, and not in the static sense that would try to picture us as standing on the same spot where we were a year ago. We all of us realize, and have specifically established here in this Plenum, the fact that the carrying through of the resolution of the Fourteenth Plenum, which is a concretization of the tasks of our Party in the line of the Twelfth E.C.C.I. Plenum, remains the basic task of the Party which is as yet unfulfilled. We are in complete agreement with the criticisms of the work of our Party, its weaknesses and shortcomings as developed in the Twelfth Plenum of the

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E.C.C.I. in the speech of Comrade Gusev, a speech which calls for a sharp change in the methods of work of the Party, the development of a real inner democracy and a real move forward in the development of new cadres, as a basic instrument for the leading of the mass struggles which will be our task in the immediate future. We have made certain progress. The character of this progress is, of course, still limited. It could be described perhaps as creating some of the necessary pre-conditions for a decisive change. One of these pre-conditions for a decisive change, and a pre-condition for any adequate leadership of mass struggles, is the hammering together of a solid, monolithic leadership. It is impossible to lead mass struggles with a divided leadership, utterly impossible! It is impossible to make a change in the character of the Party's work without a monolithic leadership in the Party. And one of the best contributions that we have made in the past months to the making of the change in the Party is the development of certain decisive steps toward drawing together and binding together into a real working, collective body the leadership of the Party. The reports that have been given to this Plenum were not personal reports. They were reports for a Political Bureau.

Comrade Hudson said openly in his speech that he found it possible to agree with the report because the report had been corrected by Comrade Hathaway. And what was the nature of this "correction" that Comrade Hathaway made? Comrade Hudson explained that while from the report it could be understood some of these advances had been caused by some of the work of the Party, in truth all of the improvements were the results of the spontaneous upsurge of the masses. [Interjection: That is, in spite of the Party.]

The spontaneous upsurge of the masses had brought certain improvements in spite of the Party! Now Comrade Hudson here introduces a correction into the report which Comrade Hathaway did not bring forward. According to this interpretation, all of the advances that have taken place are the gifts of the spontaneous action of the masses. Is that a correct interpretation? Of course, it is not. And of course Comrade Hathaway never said anything of the kind. And of course if anybody says that, we have to reject it because it is not true, and moreover it contains a very dangerous theory—the theory of the reliance upon the spontaneity of the masses, the failure to recognize the role of the Party in leading the masses. Comrades, can anyone say that it would have been possible to have the present great strike in Detroit without the Party? Can one say this took place in spite of the Party? I say that except for the work of the Party there would have been no

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strike. Can one say there would have been this mass movement among the farmers without the Party? I say that we would not have had this mass development among the farmers except for our leadership. Or can one say we would have had the development of the unemployed movement in this country without our Party? I say that the Party has created the unemployed movement and even that without the Party there would not have been the social fascist unemployed councils—which come into existence as counter-organizations to our organizations, and where we do not work they do not come into existence, and so on in every other field of work.

We have to reject this theory—this theory of spontaneity. Our advances have been made possible because we are working with more clarity, more system, more energy and more unity. And this for us is decisive. We do not rely upon spontaneity. We do not believe that we can be completely bad and yet produce some good results either. Because things that are accomplished are the production of the good part of our Party and its work.

We have to recognize, in addition to this good part and in addition to this progress, we still have left a heavy inheritance from the past of the bad methods of work. And what we accomplish, we accomplish in spite of these fad things, the inheritance of the past.

I want to correct one of the formulations that I made in my report which seemed to give grounds to some comrades to think that while Comrade Zack's theory is all wrong, his practice is all right. This impression arose out of the fact that I said Comrade Zack is a very practical worker and overcomes some of his theoretical shortcomings in the work. I should have explained that more. Comrade Zack does overcome some of these shortcomings, not by changing his own mind, but by yielding under the pressure of the leading comrades who surround him a little bit, who control him and press him. Comrade Zack feels this thing as a sort of hostile, not a very helpful thing, but he sometimes makes the best of a bad situation and bows to the pressure. The unfortunate thing is he rarely changes his mind in that process and when the mechanical pressure is removed, Zack is back on his own line again. Of course it would be foolish to think that under such a situation he can do good practical work. It is impossible to do good practical work under these circumstances. Comrade Zack himself knows it. He feels that his work is being completely destroyed by the pressure of the Political Bureau. And he feels what a glorious thing it would be if he was free from the pressure of the Polburo, if he could go out and build up the labor movement again like in 1921 when he

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did create a "United Labor Council" under the nose of the Political Bureau without the Political Bureau knowing anything about it. But Comrade Zack, the days of 1921 are gone forever. The most that you can do now along that line is the creation of a carpenters' union of 120 members. You got away with that.

The statement that Comrade Zack has submitted does not straighten him out a bit. On the contrary. It intensifies his error and brings it to a height that we have not seen for years and years. This last statement of his is in substance a theoretical formulation of the slogan: "Out of the reformist unions!" Nothing else. Of course with Zack's eclecticism one can draw all kinds of conclusions from it. But if one is to be logical and draw the necessary conclusions he must issue the slogan: "Out of the reformist unions; smash the reformist unions." And we have to say to Comrade Zack: there is no room in our movement for such theories, and we are going to smash them.

Comrade X. said that he did not object to our making use of the revolutionary traditions of American history, but only made objection to the particular kind of use I made of it in my speech in New Jersey. In order that you may judge this question on its merits, I want to read to you a brief report that was in the *Daily Worker*:

> "The Republican, Democratic and Socialist Parties," said Browder, "attack the Communist Party on the grounds that it advocates a violent revolution. They say that revolution is un-American; that it strikes at the very foundation of our government. In attacking us on such grounds do these men realize that they are attacking the very origin of these United States? Have they not heard of the American Revolution, surely one of voilence against the tyranny of George III of England? Why, even the Republican Party was born in violence, in four years of Civil War. If the Americans of old, the revolutionists of 1776, could hear these Republicans, Democrats and Socialists talk against the Communist Party they would turn over in their graves and kick over their headstones.
>
> "What do they call Americanism? Shall we sit quietly by and see our wives and children starve without any effort to find a way out, without seeking new guarantees of security?
>
> "What we need is the revolutionary spirit of 1776, brought up to-date; the spirit of that part of the Declaration of Independence, which says, that it is our duty to throw off an oppressive government, and establish new guarantees for the masses. This is the spirit of the Communist Party in the United States applied to the new issues and class relations of today.
>
> "What America needs is again a revolution to build a government on the basis of the organized power of the working class, allied with the toiling poor farmers, and the impoverished middle classes."

What is wrong with that? I say it is correct and I want to

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say that when Comrade X. objects to that, he is not objecting to any incorrect use of American revolutionary traditions, he is objecting to the very idea of making use of these revolutionary traditions.

When Comrade X. says that I made a very bad speech in the John Reed Club, I am not in a very good position to defend this speech because I have not re-read it since it was printed in the *Daily Worker*. The stenogram was taken without my knowledge and it went into the *Daily Worker* without my seeing it. I shall have to rely on my memory as to what I said; and the circumstances under which it was delivered makes me feel that the speech might have been open to criticism, so that I don't want to reject all criticism. But I want to reject the criticism made by Comrade X. He declared the Russian workers did not need any John Reed. I think the Russian workers did need John Reed. Lenin thought so. Lenin was delighted to have John Reed in the revolution and sometimes after the ending of the civil war, Comrade Lenin went out of his way to cause to be printed in Russian John Reed's book, and more, he wrote a special introduction for this Russian edition, in which he recommended it to the workers of the entire world. Comrade Lenin did not do that for many books—you won't find many introductions by Comrade Lenin. I want to read the introduction. It is important for the purpose of our argument:

> "With the greatest interest and with never slackening attention I read John Reed's book *Ten Days That Shook the World*. Unreservedly do I recommend it to the workers of the world. Here is a book which I should like to see published in millions of copies and translated into all languages. It gives a truthful and most vivid exposition of the events so significant to the comprehension of what really is the proletarian revolution and the dictatorship of the proletariat. These problems are widely discussed, but before one can accept or reject these ideas, he must understand the full significance of his decision. John Reed's book will undoubtedly help to clear this question, which is the fundamental problem of the international labor movement."

I don't remember what terms of praise I used in my speech for his book, but I am sure I did not go very much over the estimate of the book given by Lenin. Comrade Trachtenberg just informs me that now, fifteen years after the revolution, the Comintern has just given instructions to get this book translated into the Hindu language. It seems that even fifteen years after the revolution, the book is so valuable that there is no other book which quite replaces it. It still is taken as important work to be translated into all languages so as to make it accessible to the broadest masses.

Here it is necessary for me to say something I wanted to say

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at the John Reed meeting. I had made note of it and meant to include it in my speech (and here is where justified criticism comes in because this should have been said at that meeting). It is something I must say here. That is, that there are serious political inaccuracies and mistakes in John Reed's book and some of these were even pointed out by Comrade Stalin. There are certain statements which do not correspond with historical facts and which fit in with the Trotskyist distortions of history. I should have pointed these errors out in order to vaccinate the readers against these particular mistakes.

In regard to this too, I think that what Comrade X. really objected to was not the contents of the speech I made to the John Reed Club. He objected to the fact that I made the speech. Comrade X. has had that attitude toward all of the work we have been doing in the last months among the intellectuals and professionals—that this work is a sort of abandonment of the proletarians, and that it constitutes a serious deviation. He thinks it is getting away from the true working class line. In connection with this, Comrade X. is so strongly for a strict proletarian line and proletarian ideology, he even objects to us reading the *New York Times*, and he thinks we ought to read nothing but the *Daily Worker*.

Also, Comrade X. is not very sympathetic to our work among the farmers. He thinks that one of the strong points in the indictment against Comrade Puro is the fact that he has neglected Finnish work for agrarian work and is, therefore, no longer qualifield as a Finnish leader.

All of this constitutes merely one phase of a typical narrow, right sectarianism. It is non-Bolshevik and non-Leninist. It is the attitude which scorns the problems of the allies of the proletariat. And what this means politically was described by Comrade Stalin when he pointed out:

> "Obviously those who are getting ready to seize and hold power, cannot afford to be indifferent about the possibility of finding powerful allies. . . . Now, one who dreads revolution, one who does not wish to lead the proletariat to the conquest of power, is not likely to be interested in finding allies for the proletarians."

The rejection of the leading role of the Party among the non-proletarian strata of the population is a rejection of the hegemony of the proletariat in the revolution. It is fundamentally non-Leninist.

Now about the Spencer united front. I must admit a shortcoming on my part, that I learned about this united front first from the article of Comrade Morton. And it was on the basis of Com-

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rade Morton's article on the united front that I formed my judgement that a sectarian error had been committed, and every bit of additional information I get on this confirms my judgement on this point. What were the facts? The facts were that in Spencer a picnic was arranged for the defense of the Soviet Union, jointly by the Branch of the Finnish Federation and the F.S.U. Branch, headed by a Socialist Party member, the purpose being to finance this Socialist Party member who was a delegate to the Amsterdam Anti-War Congress. Somebody wrote to Buffalo and said to the District Bureau that Comrade Amter is coming through on his election campaign tour. The District was arranging meetings for Comrade Amter, and seeing that the picnic was taking place, they thought it could be transformed into an election campaign meeting for the Communist Party. And the Finnish comrades who knew the facts, knew this was wrong, and said that this would be wrong, that we cannot turn this picnic into a Communist Party election rally when the purpose is to finance a delegate to the Amsterdam Congress. I say, the Finnish comrades in Spencer were absolutely correct. I think the Buffalo District agreed at once that this was correct. Everybody agreed to it except the Finnish Bureau. The Finnish Bureau declared that that was a very serious mistake. This was an example, they said, of a united front from the top. And Comrade Morton wrote as follows:

> "The comrades in Spencer arranged a joint picnic with the F. S. U. Socialist local and in this united front they were giving up all our conditions. This united front," she says, "was not made from the bottom, but also the leaders were taken in; secondly, this united front was not made on the basis of our program. Comrades even went so far, as being frightened to give a chance to our well-known comrade from New York to speak—not even though that "Socialists" had sent their leaders there. The comrades in Spencer had an entirely wrong conception of united front. They thought that the united front means, that they arrange a joint picnic with the "Socialists" in the name of the F. S. U. and be quiet that nobody would know that there are also Communists. It is the duty of the Communists to be always ready to explain the program that represents the interests of the workers and working farmers and to expose the betraying leaders."

This is explained later when the article says that we can make the united front only on the basis of our revolutionary program:

> "Our united front aim therefore is not to *conciliate in any way* with the social fascists; on the contrary it means uncompromising *struggle* against the social fascists *leaders*. We will never form the united front, except from the *bottom*. This means with the working masses (but not with the betraying leaders), and only on the basis of *strictly revolutionary program*. This looks very clear and

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simple, but in practical application of the united front policy, many mistakes have been committed, and it looks as if many opportunist mistakes will be made, before we learn to make the united front for the benefit of the revolutionary movement."

Then, to show that this is not just an accident, just a mistake, a mistake of not knowing the facts in Spencer, the same article gives many other examples of the same kind of united fronts that were condemned, prevented and stopped.

"Sometime ago we noticed from the reports published in *Tyomies*, that in some place in the Middle West a joint meeting was held with the I.W.W.-ites, at which a debate was conducted as to which organization is better: Communist Party or I. W. W. To place such a question for debate is entirely wrong. If we submit ourselves to debate on such questions, this means that we recognize the I. W. W. as an organization which somehow represents the workers' interests. In many resolutions we have made clear, that Communist Party (and those workers' organizations that have recognized its authority) are the only organizations that truly represent the cause of workers and poor farmers. But, in spite of this, comrades mistakenly engage themselves in debate with the I.W.W.-ites on the question as to which organization is best."

And a further example of this conception of the united front:

"Last year when we had a special campaign against Finnish fascism and for the support of the Communist Party of Finland, the local comrades in many localities made erroneous united fronts with leaders of the I. W. W. We corrected these comrades and discussed these mistakes in public, but, in spite of this, new mistakes have been made."

Local leaders of the I.W.W. were drawn into action against fascism in Finland, and this was wrong. So you can see the Spencer case where this Socialist who was a delegate to the Anti-War Congress is placed as a leader with whom a united front cannot be made, is not an accident, it is a line, the line is systematically developed and crystallized into an article. Another feature of the article is that in the entire thing, there is not one positive example given of a united front that can be endorsed. The very title is "How Not To Make the United Front." And everything there is something that is condemned. And really an article such as this does teach how not to make a united front, and I am sure under the influence of this article there would be no united fronts at all. [Interjection by Stachel: Then you make to mistakes.] Yes, there would be no mistakes.

Now I want to deal very briefly with the anti-war errors. Some of the comrades, I believe especially the Chicago comrades, are of the opinion that in our resolution this has not been developed fully or sharply enough. We can accept this point of view without any

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difficulty and agree that the resolution shall be largely elaborated on this point, sharpened in the precise spirit of the C.I. letter on this question.

We cannot accept the criticism of the Chicago comrades, however, on the Students Anti-War Congress. In the first place their criticism has one serious defect, in that it concentrates on certain minor questions while overlooking two big political weaknesses and mistakes in the Congress itself. The real weaknesses included the mistakes which was written into the resolution by one of our comrades, the resolution of recognition, which speaks of recognition as a means of abating the war danger, lessening the war danger; this was a really serious political mistake, something which has to be sharply criticized and was criticized by the Political Bureau. Another mistake was the retreat that was made at the end of the Congress before the social fascists on which our fraction split, one section stood for the correct line, the other proposed a retreat and carried the majority of the Congress with them. This was a very serious error and reflected the immaturity of our cadres there. We have to remember that the comrades in this Congress were quite young in the Party and League and we must not be too frightened by seeing deviations and weaknesses among them. But while we don't get panic stricken in the face of such weaknesses, we have to brand every such weakness and every such mistake and use it to educate these comrades and strengthen them for the next fight. Then we have established in our discussions in the Political Bureau that the preparations for the Congress showed a serious weakness in failing sufficiently to bring forward the Y.C.L., its face, its line, as a separate organization in all of these preparations among the masses of students. The criticism of the Chicago comrades is not directed toward such questions as these but is directed toward organizational points, questions of posters and leaflets at the Congress and the demand for workers delegates to the Congress.

Now with regard to the posters and leaflets at the Congress. Was it necessary for us to have a leaflet at the Congress? I think that the attitude of the youth comrades was correct on this point. It was not necessary to have a leaflet in the Congress. Not necessary. If there was any question that we would not have our speakers before the Congress, then it would be necessary to have leaflets in reserve so that if the speakers do not get on, the leaflets will be distributed. Or if we see that our speakers are not strong enough to adequately present the point of view of the Party, then we should have leaflets to guard against any weaknesses of the speaker. Well, if our speakers were weak, then we should have had leaflets. No one has criticized the speakers. No one has said that the full Com-

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munist program was not presented. Even the Trotskyites accepted the statement, which perhaps isn't a compliment to the statement, and perhaps this should cause us to look at the stenogram and examine it carefully to see whether there was not a little ultra leftism there because on this point the Trotskyites had an ultra-leftist line and criticized this Congress in the same way that they criticized Amsterdam. But one can sustain this criticism about the lack of leaflets only if one says that because the leaflets were not there the Communist position was not properly and fully presented. One cannot have it both ways. With regard to posters, the objection to the posters that was raised in the committee was the objection to creating the appearance that the Communists were moving in and organizationally taking over the building and I think that on such little things as that we should always be careful and defer to the susceptibilities of whoever we happen to be working with in these general committees.

Now with regard to the question of workers delegates, we never at any time took the position that no workers delegates at all were to come in. In fact I think the original directives we sent to Chicago on this—as a very subsidiary point, but it was included—were to have a few worker fraternal delegates from selected organizations. [Interjection: That we decided on and that was rejected.] What was rejected was a demand that the Committee shall issue a call for delegates from workers' organizations.

This was the issue which was raised by telegram and which was discussed in New York. And at that time I must say that I said, if there is going to be an issue about this, we can agree not to have any worker-delegates at all, because we do not look upon this congress as the instrument for leading the workers in the anti-war struggle. This congress is specifically designed to reach the students, and if there is going to be created the impression that the students are mobilizing against war, then keep them away. But we never rescinded the decision to have worker fraternal delegates. [Interjection by Green: There were 60 fraternal delegates from workers' organizations.]

So I think that really we have to confirm the judgement of the Political Bureau which discussed this question and came to the conclusion that the raising of this kind of issue was not correct in relation to a big political event like this Students' Anti-War Congress—which was big in a relative sense; not that it represented the main line of our work, but it was important as representing a new step forward among new strata, in which we were dealing with 650 people most of which we never had any contact with before, in which we were using every effort not to have any artificial obstacles placed between us, but to present our full political message

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without any organizational obstacles. And to present this kind of criticism represents a certain narrow approach. I don't think this is the result of a considered discussion among the Chicago comrades. I think they came to snap judgement on this, without much consideration.

On the question of the workers' ticket in the local elections, I think everything that needed to be said was said by Comrade Schneiderman in his excellent ten-minute speech tonight. Comrade Schneiderman's speech I think we will have to print as a directive on the question of the workers' ticket.

The question of the analysis of the Socialist Party vote in the elections, I think we can deal with in summary by referring to Comrade Hathaway's speech which in our opinion answered it fully.

On the question of the I. L. D., Comrade Paterson ably emphasized this here and we should give it an additional word of emphasis especially in connection with the concrete mass political campaigns that we have now around the Herndon case, the Atlanta Six and the Scottsboro case.

In connection with the local elections we must also raise questions about the general tendency to break down all protective legislation, all social legislation, which is going on on a local and statewide scale everywhere. Included in this is also the growing tendency to do away with all the free features of the educational system; cutting down the feeding of children; to cut out free text books and establish tuition fees in all the higher institutions, from high school up; in many places a complete closing of the schooling system. These things are of the most intense importance in moving the masses in the election campaigns.

In connection with this we should not allow the slogan of unemployment insurance to be narrowed down so that we forget the other aspects of social insurance. There are many aspects of social insurance, although unemployment insurance is the main central issue of social insurance.

Some comrades have demanded of us that we give an explanation of the weaknesses of the second Bonus March. This is a justified demand. It is one of our weaknesses that we have not prepared such a well-considered analysis of this question. [Interjection by Grecht: Also an analysis of the basis of our united front with the Khaki Shirts.] This is more important in view of our opinion that we are by no means through with the veterans' movement, that there are accumulating the forces for another big action of the veterans around the issue of the bonus and around the issue of the reduction in the disability allowances,

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etc. And we must by all means prepare some adequate leadership of these actions. The weakness of the second Bonus March reflected not the dying out of these forces among the veterans, rather our own inability to draw forth these forces, due largely to weakness of organization and cadres, to the fact that we have not been able, due to these weaknesses, to overcome the influence of the police agents that infest especially the veterans' organizations, and to the continuation of a narrow understanding of the whole problem of organizing the veterans. Sectarianism in this field is just as strong as in any other field—and especially the absence of a program of local struggle upon which local organizations can be built. It is not possible to build an organization abstractly—it must have activity to carry on. You can't have national marches all the time. There must be a program of local activity and local struggle, which means local leadership, and this is actually the question which the districts must give attention to, providing a certain reliable, responsible leadership to develop the local veterans' organizations.

One point on the farm sales. One mistake that is made many times with regard to the selling out of the farms is to take the attitude of preventing the sale from being held. All this does is postpone the sale. We should try to carry through the sale, but make sure that we buy it, and not pay such high prices. I heard that they paid $14 for one farm. That's entirely too high (*Laughter*). Absolutely impermissible to pay $14 when it is already proven by the farmers in Pennsylvania that you can get them for $1.18. Then some cases of the sales in Iowa, where the farmers have contented themselves with preventing the sale of the farm at a figure lower than the mortgage, in order to prevent the "deficiency" judgement from seizing the chattels of the farm. This is an abandonment of the farm in order to save the stock. Now, while, of course, this is a step towards more militant forms of struggle, we should do everything in our power, and it should be possible in such a situation as that, to raise the struggle to a point where they will save not only the stock but also the farm itself. It wouldn't require more violence to save the whole thing.

Now with regard to special problems connected with the Negro work, I think that Comrade Haywood's speech covered all of these in quite a satisfactory manner. I would just say one word in addition to emphasize that we must not be afraid of building organization among the Negroes of any kind the Negroes want, that meets the needs of the Negroes. There must be a broad policy towards meeting all the needs of the Negroes, and especially in the form of cultural organizations, etc., and in this connection we have some questions raised by the comrades from District 17, the

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question of the I.L.D. and the L.S.N.R. Comrade Ross thinks that in his district the I.L.D. performs all the functions of the L.S.N.R. and makes the latter unnecessary. This is too narrow an approach, Comrade Ross. This may seem to meet the same needs, because you have such a narrow base, and you feel a certain difficulty in having to handle two organizations when for your immediate needs one is enough. But you must think of the future, six months from now, when you may have thousands of people more. And you will have large numbers of Negroes who are interested in the struggle for Negro rights, but they are not interested in the general I.L.D. program for the struggle of the workers. And you must provide for the organizational needs of tying these people up with you without committing them to a general program on other things.

Then, we must say a word about this tendency that we have noticed in many places, that was reported as existing in District 16, to say, "Now we have the Negroes. What we need now is to get the whites," and then to proceed to get the whites by soft-pedalling the Negro issue. This, of course, is a most dangerous tendency. You can't get either the whites or the Negroes that way. In the first place, we haven't got either of them. We must win whites too in order to win the Negroes. But in order to win the whites, we have to win them on the issue of Negro rights, otherwise you haven't won them at all. You haven't won anything. The Negro question is one of our principal channels in winning the whites. It may seem to be an obstacle, but like many of our obstacles, we can transform them into instruments of strength for us. We can make it clear during the struggle that the division between white and Negro defeats them.

The question of the white farmers' and the Negro farmers' organizations. Of course, our orientation must be towards a single organization of white and Negro, but Comrade Ross takes a rather mechanical attitude towards this question which has grave dangers, and some of these dangers Comrade Ross himself exemplified in the report that he made. For example, he told us, "The Negro share-croppers are very hesitant about taking these white share-croppers in because one of the leaders of the white share-croppers is one who led mob action against them in 1931." Are we to take the attitude that we force the Negroes to take such whites into their organization? Even if there is the slightest hesitation among the Negroes, we should never insist upon it. That would be to create artificial antagonism between white and Negro farmers. We must organize both, and organize more fractions within both, and have one joint fraction, both working together and directing both, and

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gradually bringing them together, eliminating all the distrust and opposition, and mixing them into one organization. This is a real contribution towards achieving the unity of the white and Negro farmers.

It is necessary to say a word about relief in strikes.

This question has been raised by the situation in the textile field in District 16 where it has become clear to us we had a certain danger facing us—a repetition of the old mistake. There was grave danger we would develop a strike movement among the textile workers upon the basis of having created among them the impression that by going out on strike under our leadership they would be guaranteed a steady flow or relief from the outside that would feed them during the struggle. And when we examine what that means in this small strike, it is that they would expect us to send in a minimum of $1,000 a day. Comrades, a strike that is called on such expectations as that would be a disaster for us. We must not have such strikes, because we know quite well, especially under the present conditions, that we will not be able to fulfil these expectations, and we must not create such expectations.

Comrades, this concludes the points I wanted to speak on in summing up the discussion. I think that in general, we can say that while there are still all of the fundamental weaknesses that we have been discussing since the Fourteenth Plenum of the Central Committee, that while all of the tasks laid down in the Fourteenth Plenum are tasks which still have to be carried through, yet we have begun to move, we have created some of the necessary preconditions for a change, a decisive change in the development of our Party towards a real Bolshevik mass Party. By seizing upon every step of progress for improvement of our work, and making this the basis for further, quicker, more drastic changes, we can begin to overcome the gap between our abilities and our strength and the tasks that are placed upon us. Thus we can more than ever before, become the leader of mass struggles, preparing for larger decisive class battles that are coming. This is the sense in which we must prepare and carry through the mass struggles and mass campaigns for the next months and upon the basis of this mass work, carry through a re-organization and transformation of our Party, in a war against sectarianism, in carrying on of the discussion, in the elections, and the work of the coming Eight Convention of our Party.

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Which Way Out?

By S. GUSEV

THE most outstanding facts in international relations in recent times are the refusal of the French Chamber of Deputies to make the current payment on war debts to the U.S.A.; the statement of the British Government that the payment made on December 15 on this debt is the last which will be made on the basis of the former agreement; the refusal of Belgium, Poland and Hungary to make their regular payments on war debts; and the stoppage of payment on war debts by all the South-American countries except Argentine, which, by the way, is also now demanding a moratorium on its foreign debts. Add to this Germany, which has not paid reparations for a year and a half, and Ireland, which refuses to pay imperialist tribute to England. Add to this the abandonment of the gold standard, the open and concealed inflation in a number of countries as a peculiar form of partially evading payments on foreign debts, and a long series of bank crashes.

Take further the farmers of the U. S. A. who are refusing to pay their debts and demand a moratorium, and are even beginning to talk about their debts being "released" (i. e., annulled). Take a number of capitalist countries where the peasants are energetically resisting the forcible collection of debts from them by auction, where the mass struggle of the unemployed and the workers is simultaneously commencing against evictions for failure to pay rent.

In very truth, it is a real epidemic of refusal to pay debts.

What do all these facts show? They show that the very foundation of capitalism—the "sanctity" of private property—is beginning to totter; that the whole system of international credit, which links the capitalist countries together, is beginning to break down. Among the great masses, the belief in the "sanctity" of private property is falling with catastrophic speed. And who is it who is undermining this belief? It is not only the Bolsheviks, who have destroyed private property in the means of production and annulled debts on one-sixth of the globe, but it is also the most ardent defenders of private property—the governments of capitalist countries, and also the warmest supporters of private property—the peasants and farmers.

A particularly strong impression was produced in the capitalist world by the refusal of the French and English imperialists to continue payments of their war debts. If defeated countries, like Germany or Hungary, do not pay, or if it is a dependent country, like a

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South American republic, or finally, if it is a second-rate imperialist power, like Belgium or Poland, then things are not so dangerous. But England and France! These are big imperialist powers with tremendous colonies, sharing their domination over the world (not counting one-sixth of the world, of course) with the U.S.A., Italy and Japan. If these giants of imperialism refuse to pay, this is an irreparable blow at the "sanctity" of private property, it is a contagious example which, in all probability, will be copied by others, it is a serious blow at the whole credit system, it is the "destruction of capitalist morals," it is a "tremendous blow at civilization."

The whole of the capitalist press, both in England and the U.S.A., is full of jeremiads on this subject. The soundest organ of American imperialism, *Wall Street Journal*, warns the English and French imperialists of this danger: "If you don't pay, your own debtors will stop paying you." Chamberlain discoursed on the same danger in his speech in the House of Commons, stating that the bankruptcy of the British Government would be echoed throughout the world, and would serve as a justification for other debtors, and an incentive to follows its example, to the point of refusing payment on public and private debts within the country.

What is the conclusion drawn by Chamberlain from this? That the payment should be made? You are mistaken. In the same speech Chamberlain stated that the payment on December 15 would be the last.

The situation becomes confused—we must not refuse to pay, but we will not pay! Capitalism finds itself in a vicious circle. There seems to be no way out. The very representatives of capitalism begin to understand how hopelessly they have become entangled in debts, no less hopelessly than in other imperialist contradictions.

For example, the *New York Times* writes:

> "If we drive our debtors into a corner, there arises a serious danger of insolvency. If the American Government abandons its debts, this might rapidly extend to private debts, bringing indescribable ruin to thousands of our citizens who are already in great difficulties. *

So it seems that on the other side of the ocean they are confronted with the same dilemma—on the one hand, they cannot annul the debts, but, on the other hand, they must not demand payment.

But while the representatives of capitalism are racking their brains to find a way out of the debt impasse, life is rapidly and stubbornly marching forward. At the present time a tremendous proportion

* Quotation re-translated.

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of the capitalist countries, almost a majority of them, have joined the ranks of the defaulters. And we may be sure that the matter will not stop here, and that not only the governments, but also the peoples oppressed by the bourgeoisie, will move rapidly forward under the slogans of non-payment, the moratorium, and the annulling of debts.

* * *

But possibly a way out can be found by direct agreement between the debtors and the creditors? Maybe it will be possible to come to an agreement on a reduced sum for the debts, or a moratorium, in exchange for definite compensation to American imperialism, by the French and British imperialists?

It is true that Hoover definitely stated in his last message to Congress that "the U.S.A. must refuse to reconsider the debt agreements until it gets compensation in other respects, and until other problems are settled." Hoover openly names some of these compensations—the return to the gold standard, the introduction of bimetalism and the stabilization of currency, the reduction of armaments. He says nothing about other compensations, such as the refusal to recognize Manchuria. In addition, Hoover definitely states that the United States will only negotiate with the debtors separately, and only with those debtors who continue to pay.

The organ of American imperialism, *Wall Street Journal*, in an article "Annullment? Delay? Revisal?," backed by statistics, sets forth the conditions on which American imperialism will agree to consider the question of debts. This solid journal, if we strip its real thoughts of their high-flown, wordy coverings, begins and ends its article with the same chorus: "Immediate payment; cash down." The *Journal* penetrates into the secret strong-rooms of the British and French capitalist banks, carefully pokes into every corner, counts over all their gold reserves and other wealth, and triumphantly proclaims that they are able to pay. The *Journal* condescendingly agrees to negotiate on debts on the following conditions: for debt reductions—colonies, rubber, nickel, disarmament. "The prospects of debt reduction can be used to a certain degree as a convincing argument for disarmament," hints the *Journal*, very significantly. Towards the end of the article, however, extremely pessimistic notes begin to break in. It calls the debts a "dead horse" which is poisoning the world with its putrefaction, and which it is no one's business to clear away, for which purpose, in any case, considerable time would be necessary, and time much more quiet than the present.

This is how matters stand on the American side.

On the other side, for the British imperialists, the return to the gold standard and concessions in respect to armaments cannot be

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accepted, not to speak of the surrender of part of the colonies, and part of the rubber. French imperialists do not want to listen to any talk about reductions of armaments and demand that negotiations on debts should be carried out collectively with all the debtors, i. e., they wish to confront American imperialism with a united front of debtors (while the Americans aim to break up this front by using the rule "divide and conquer"). Finally, neither England nor France is inclined to forego its alliance with Japan, or to make concessions on the Manchurian question, as was clearly shown by the whole history of the occupation and concealed annexation of Manchuria by Japan.

The prospects of a possible compromise are thus extremely unfavorable. But who knows? Maybe they'll haggle and haggle until they agree on something? In the U. S. A. a number of projects have already appeared for an amicable agreement with France and England, the basic idea of which amounts to the fact that the noble Americans will make some small concessions while the good-hearted Englishmen and the obliging Frenchmen, in return for these concessions, will begin to increase their purchases of American goods, as the result of which "prosperity" will come. "The ability of Europe to pay," soothingly states the *New York Times*, "will restore its purchasing powers for American goods and will be a stimulus for our own trade and for the return of prosperity to our country."

Isn't this a wonderful, simple, extremely simple project for getting out of the crisis, and not a whit worse than Hoover's project for getting out of the crisis by stabilizing currency and raising prices! For a couple of billion dollars it is possible to buy "prosperity." What could be simpler?

And here is another marvellous little project, composed by Tabor, the chairman of the biggest farmers' organization in the U. S. A., "National Grange." The debts are just and must be paid, said Tabor. But we have no right to put the big nations of the world in a position of compulsory insolvency and increase the present-day international confusion. The fall of commodity prices, the devaluation of foreign currency, and the establishment of tariff walls, require that the whole problem of debts should be revised in the light of world stabilization. A new extension of time on the debts must be given, simultaneously appropriating new credits to the French and British for the purchase of products produced by farmers.

How ingeniously simple is Tabor's solution of all difficulties! The banks will finance the French and English (from what funds?), while the noble French and English will buy the products of the farmers (which they don't require, as they have a surplus of their own). The farmers (we add, on our part) make increased

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demands for industrial goods. Industry rapidly stretches its limbs enchained by the crisis. The new kingdom of prosperity returns.

In short, there are innumerable projects for compromises and ways out of the crisis. And if these projects don't materialize, then there is still one excellent way out of the situation—England and France will simply refuse to pay the war debts, will declare a one-sided annullment of debts, and there you are! Their purchasing power will grow (we add, once again, on our part), they will begin to buy goods from the U.S.A., etc., etc., etc. As the result, "prosperity" again.

Such is the great thought of the *New York Evening Post*. The French refusal puts an end to the war debts, says this paper. All the plans of the government of the U.S.A. to bargain concessions for debts have collapsed. The U.S.A. is deprived of the possibility of doing anything against the French government, because a government which has already decided to refuse to pay its debts can always say: You don't want to accept our terms. What do we care? We just won't pay and that is all.

Why did the British and French imperialists not do this earlier, we may ask of this naive paper?

The fundamental blemish of all these projects for the regulation of war debts and ways out of the crisis, the fundamental falsity of all the arguments on the possibility of coming to a peaceful agreement about debts (and debts only?) consists precisely in the fact that the debt question is considered in an isolated manner, without the connections of this contradiction with all the contradictions of the two imperialist groups (England, France, Japan, on the one hand, U.S.A., Italy, on the other hand). There is nothing easier than to invent dozens of projects for a rapid, simple and painless solution of the debt problem, if this question is taken by itself. But it never was an isolated question. It has always been connected with a series of other big contradictions between the imperialists. There have already been cases when debts have been revised and lowered, but this peaceful agreement was connected with agreements on naval armaments. Can it be possible that the present time, when the basic contradictions between the imperialists have become particularly sharpened owing to the crisis, which is now in its fourth year, is it possible that the conditions for an isolated solution of the debt question are more favorable than formerly? Of course not. It is precisely at the present time, when the incomes of all the capitalist countries have fallen considerably, when it is becoming ever more difficult to squeeze out taxes, when the South American republics are not paying their debts to the U.S.A. and Great Britain, when France is not receiving German reparations, when the vassals of French

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imperialism (Rumania, Jugo-Slavia, Poland) are on the verge of bankruptcy and are in need of further "nourishment" by France—it is precisely at the present moment that the question of war debts, the payments of which form 25 per cent of the European war budgets, according to Hoover's calculation, is becoming a question of source for further armaments. The payment of the war debts by France and England weakens the growth of their armaments, while the receipt of the war debts increases the growth of the armaments of the U.S.A. It is no accident that war debts have occupied such a prominent place precisely at the present time, because, in view of the reduction of other sources of income, the war debts have become far more important than previously in the matter of the development of armaments. The connection between debts and other imperialist antagonisms is now far stronger than ever before.

Hoover states openly and directly to the European powers, in his last message to Congress: "Cut down your armaments by one-fourth, and you will have the means to pay your debts." Hoover directly and openly connects up the question of debts with the question of armaments.

Take any copy of a newspaper, take only the headings of the telegrams, and you will see this connection with the greatest plainness. Here, for example, are the titles of telegrams for a single day: "Geneva Does Not Budge on the Manchurian Conflict," "Japan's Position Unchanged," "*Temps* Supports the Japanese Point of View," "Hoover's Plan for Control Over the Export of Arms" (in connection with the Anglo-American oil war between Bolivia and Paraguay), "New Japanese Units in Manchuria," "Preparations for advance on Jehol," Roosevelt refuses to collaborate with Hoover," "Negotiations on Debts Postponed till March," "Anti-French Decision of U.S.A. Tariff Board," "Conflict Between Italy and Jugo-Slavia."

We must firmly realize that, at the present time, the connection between war debts and other imperialist contradictions is far closer than before, that therefore an isolated solution of the debt question, without the solution of the other contradictions and, above all, the armament conflict, is extremely unlikely at the present time. This means that the debt question can only be finally solved in connection with the other fundamental contradictions of imperialism, and by the same methods. There has never yet been such an intensification of the struggle over debts as there is now. For the first time, both England and France have taken the risky step of openly refusing to pay their war debts. An open conflict on war debts is "easier," "less dangerous," than on the other imperialist contradictions. However, in this intensification of the struggle over war debts is reflected

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as in a mirror, the intensification of *all* the contradictions between the two groups of imperialists—both on the question of armaments and on the question of Manchuria and on the question of tariffs, and on the question of oil. At such a moment of the intensification of all contradictions, to speak about the isolated peaceful solution of the debt conflict, as is done by some learned American economists, and petty-bourgeois semi-Socialist intellectuals who group themselves around the *Nation* and *New Republic*, means to turn away from stern reality, and float in sweet pacifist dreams of peacefully creeping out of the crisis, of a painless return to the heaven on earth of prosperity.

Of course, the imperialists may still come to an agreement on a *temporary prolonging of the decision on the debt question*, as they have done on the question of armaments, and in respect to all the other antagonisms which separate them. There is still a possibility that they will reach some agreement, which externally will have the appearance of a solution of the question but which in reality will solve nothing, change nothing and in reality will only be dragging the thing out. Such a prolongation, however, must not hide the fact that all these contradictions, including the debt question, cannot be solved by peaceful means. Furthermore, this prolongation cannot last very long, because the whole system of international credit is crumbling, while the war in China is continuing and passing through a new stage.

It is ridiculous to suppose that when Roosevelt takes power in place of Hoover there will be any serious change in the relations between the imperialists. Exactly at the present time many rumors are beginning, information from "reliable" sources highly connected with the parliamentary tribune, highly promising indefinite hints connected with Roosevelt's taking over the presidency in March. Until March, the bourgeois press has plenty of material to fool the people, to imbue them with the idea that international imperialism is organized, that it is equal to the tasks of dealing with all contradictions, and will find ways and means of coming to a peaceful agreement on all disputed questions. Naive hopes! As if Roosevelt can change the line of American imperialism on the question of armaments, on the question of Manchuria, on the question of oil, etc.? As if he can tear the question of war debts away from the other imperialist contradictions?

The relative stabilization of capitalism has ended. The agreement of the imperialists to divide up spheres of influence in China has been torn to pieces. The Anglo-American oil war between Bolivia and Paraguay lays the foundation for the tearing-up of the agreement of the imperialists on mutual non-interference, in the

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matter of plundering and oppressing "their" colonies. The Disarmament Conference recently almost broke down and is now on the eve of actual liquidation. The break-down of the agreement on war debts is a new and heavy blow at crumbling stabilization.

* * *

The break-down of the war debt agreement, the crumbling of the international credit system, which is undermining the foundations of capitalism—the belief in the sanctity of private property—not only signify a tremendous advance in the collapse of capitalist stabilization, especially in connection with the rapid growth of the world revolutionary upsurge, but they also signify a big step in the direction of imperialist war. This does not mean that war will take place on the question of war debts. It does not even mean that war debts will be a pretext for war. No one knows or could know, when and how, and on what pretext, the war will begin. It only means that the extreme and unprecedented intensification of the struggle for debts displays the intensification of all the imperialist antagonisms, which, under the influence of the crisis, are approaching their "natural" goal, natural from the point of view of the imperialists, namely, imperialist war. The break-down of the war debt agreement has strengthened the division of imperialist forces, which is not the outcome of a single day, and which is determined by the fundamental contradiction of the imperialist world—the contradiction between British and American imperialism. It is laughable to talk of the isolation of France, because this country did not make its regular payment, while England did. It is laughable to talk of the isolation of France because the U.S.A. refuses to talk to her about debts until the regular payment is made, while it (the U.S.A.) tries to draw England, who has paid, to its own side by indistinct promises not to demand the full pound of flesh, but an ounce or so less during the future negotiations. It is a fact that for every dollar England has to pay two and a half dollars, and Keynes has good reason to shriek that the war debt is "pure usury," and propose to pay only dollar for dollar. The contradictions between British and American imperialism are too deep for them to be able to come to an arrangement. The capitalist world is sliding, on a slippery incline, down to a new cycle of wars and revolutions, revolutions and wars.

The breakdown of the war debts, and the collapse of the whole credit system, have introduced serious changes in the international conditions as a whole in the sense of changing the relations of forces between the world of Socialism and the world of capitalism. Nowadays the formation of an international front against the U.S.S.R.

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is becoming more difficult than ever before, not only because of the growth of the internal force of the U.S.S.R., not only because of the revolutionary upsurge in the capitalist world, not only because of the peaceful policy of the U.S.S.R., which has so often been crowned with success, but also by the intensification of the struggle between the two imperialist groups.

* * *

Our position on the question of foreign debts (including war debts) is that one of the first acts of any revolutionary workers' and peasants' government must be the complete annulment of foreign debts. Such a revolutionary annulment of foreign debts, after the pattern of the annulment carried out by the October Revolution, must be the fundamental idea of all our propaganda and agitation in connection with the question of war debts in the form in which it stands at present, and this idea must be connected with the idea of a revolutionary way out of the crisis.

But we must now determine our tactics towards the question of war debts (and foreign debts in general) in connection with the enormous crisis through which the whole system of foreign debts is passing, in connection with the fact that everywhere concrete demands for a moratorium on foreign debts are being put forward, for their reduction or even the complete annulment of debts, and that a number of capitalist countries have ceased to make payments on their foreign debts, both war debts and others.

There cannot be any simple, uniform slogan, equal for all countries, "logically" derived from the basic idea of the revolutionary annulment of all foreign debts, such as, for example, the slogan "Don't Pay" or "The Complete Annulment of Debts." Such a slogan is abstract, as it wipes out the distinctions between the revolutionary and the imperialist annulment of debts, the distinction between conquering and defeated countries, the distinction between dependent countries and imperialist countries, the distinction between countries which pay and those which do not pay, the distinction between creditor countries and debtor countries. When working out out tactics and our slogans in connection with the question of foreign debts as it is raised by life itself at the present time, we must take strictly into account all these distinctions and work out our tactical principles for various groups of countries, applying them in each individual country on the basis of an all-round analysis of the concrete situation in the given country.

We will begin with the group of countries which were defeated in the imperialist war (Germany, Austria, Hungary and Bulgaria). Here, the annulment of debts can be carried out only by a proletarian

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revolution, but the slogan of the annulment of reparations in these countries has, even at the present moment, a direct revolutionary importance, as the slogan of the national liberation struggle. Our tactics here are clear and have been settled for a number of years by the German Communist Party, and the only change introduced into the struggle against reparations by the new situation, on the question of war debts, is that in the defeated countries we must put forward the slogan of the annulment of reparations *immediately*. Under such a slogan, linked up with the central slogan of the repeal of the Versailles Treaty, the mobilization of the masses must take place in the defeated countries in connection with the question of war debts, and this campaign should be extended to all foreign debts, and should be linked up with all the slogans of struggle against wage cuts, against the reduction of relief for the unemployed, etc. At the same time it is necessary to expose the wavering policy of the governments and the bourgeois parties, including the fascists and the social-fascists, on the question of the *immediate* annulment of reparations.

The group of dependent and colonial countries—China, India, the South American republics, etc. The slogan of the annulment of debts is here also at the present day a slogan of the national liberation revolutionary movement. Here also we can, and must launch the slogan of the *immediate* annulment of foreign debts, stating at the same time that the future revolutionary government will annul all foreign debts, and referring to the example of the Russian Bolsheviks, who, as early as 1916, warned the European imperialists, who were giving billions for the strangling of the Russian revolution, that the Russian revolution would refuse to pay foreign debts, and in 1917 made good their words. The correct tactics in the dependent and colonial countries consist of struggle against all the imperialists—both British and American, and French and Japanese.

In imperialist countries like England, France, Belgium, Poland, the slogan of the annulment of debts cannot at the present time possess such revolutionary importance as in defeated countries, and dependent countries. These imperialist countries are not faced with the task of national liberation. The revolutionary annulment of foreign debts can be carried out here only by a revolutionary government, as the result of the victory of the proletariat. The annulment of debts by the present governments cannot have anything but an imperialist character, and the first attempts at such an annulment have already led to a decided sharpening of the relations between the two groups of imperialists.

The British government has taken the line of complete annulment, ever since the problem of war debts arose. At the present time,

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the British government, without giving up its "principle" of the total annulment of war debts, has put forward the demand for the revision of the whole problem, having in mind, above all, a moratorium on these debts. The Laborists completely support the position of the government, i.e., the total annulment of debts, the revision of all problems, a moratorium. In France, the majority of the Chamber of Deputies, with the support of the Socialists, refused to make the regular payment, and put forward the demand for such a revision of all the problems, that would be directed towards the total annulment of debts. In essence, this is only another form of the British position, in which, naturally, there is nothing revolutionary. The slogan of the annulment of war debts is put forward both in England, and France, by the most aggressive imperialist circles of the bourgeoisie.

A mere bare support for the demand for the annulment of foreign debts or the slogan "No Payments," would be incorrect in such countries as England and France, etc., and would lead only to a support of the position of the most aggressive imperialists. The support of the slogan "No Payments" is possible in these countries only on the following five conditions:

1. A pacifist interpretation of this slogan is impermissible. While not only denying the possibility of a temporary agreement on the question of debts, it is necessary to emphasize that the problem of debts is connected with all the basic contradictions of imperialism, which have not been solved by the bourgeois governments, and inevitably, together with all these contradictions, it will lead to war.

2. It is impermissible to slip into the position of supporting the government or a whole imperialist group consisting of England, France and Japan against the other group consisting of U.S.A. and Italy in the struggle for the annulment of war debts.

3. In connection with the campaign on the annulment of war debts, it is necessary to put forward also revolutionary slogans, such as "Not a Cent for War Debts or the War Budget," and also the demand for transferring the sums set free by the non-payment of debts to aid for the unemployed, etc.

4. The slogan of the annulment of debts assumes a revolutionary significance in all imperialist countries, without exception, if it is put forward with respect to the colonies and dependencies oppressed by the given country. The slogan of the annulment of the debt of Great Britain to the U.S.A. is not revolutionary. The slogan of the annulment of the debt of China to Great Britain, France or the U.S.A., etc., is a revolutionary slogan.

5. One of the chief elements in the revolutionary tactics in connection with the question of the annulment of debts must be in

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all capitalist countries (imperialist, dependent, colonial) the launching and support of the slogan of the annulment of all kinds of indebtedness of the peasants to the trusts, the banks and the government, calling on the peasants not to pay debts and taxes. This slogan can become one of the most popular slogans of the peasant revolt at the present time in those places where the peasants are already rising to the mass struggle (Poland, Czecho-Slovakia, U. S. A.). Only the proletariat is capable of consistently supporting peasant revolts to the end, uniting them, giving them correct slogans. Only the proletariat is interested in raising this movement from the slogan of a moratorium on debts, which has already been launched in places, to the slogan of the annulment of debts. Of course, in every country, taking into account its national peculiarities, this slogan should be concretized in a special form.

Consequently, in imperialist countries such as England, France, Poland, etc., i. e., in debtor countries, support for the slogan of the annulment of debts to the U.S.A., must *compulsorily* conform to the above-mentioned five conditions. Only a combination of support for the slogan of the annulment of the debts of the colonies, the mandate territories, the dependencies, etc., and also the demand for the annulment of the debts of the peasants, and with such slogans as "Not a Cent for War Debts," with calls for a struggle against taxes, with the demand for the diverting of the economized sums for the assistance of the unemployed, etc., can best of all save the revolutionary proletariat from slipping into the position of "their" bourgeoisie.

In the U.S.A., a country which is a creditor nation, the slogan of the annulment of debts, if we avoid the possible pacifist distortions of it, is directed entirely against American imperialism, exposes this imperialism and unites the proletariat and the poor farmers for a revolutionary struggle against it. We should not hesitate because a considerable part of the farmers (probably even a majority) are at present definitely against the annulment of debts. We should not hesitate because the Communist Party will be accused by the bourgeoisie of betraying the interests of their fatherland. We should not hesitate because a considerable section of the American proletariat will not, at first, understand such an attitude on the part of the American Communist Party, and will not support it. The Party must insistently, consistently, systematically explain its policy on the question of war debts from day to day, pointing out that the workers and poor farmers are not interested in the American bankers receiving their foreign debts. A consistent revolutionary policy, in the long run, will turn the proletariat and the poor farmers to the side of the Communist Party. The American Communist Party

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would not carry out its revolutionary duty if it did not now come out with the greatest energy for the annulment of debts to the United States. Naturally, this slogan must be combined with the demand for the annulment of the debts of the farmers, social insurance, etc.

* * *

The last thing which should be specially emphasized on the question of debts is the necessity of carrying on this campaign as a wide mass campaign. This is the very backbone of the whole campaign. Without it, the campaign loses all meaning. It is necessary for the wide masses to understand that the struggle which is now blazing up between the two imperialist groups means the menace of new wars, that the imperialists are seeking a way out of the crisis through war, that our way out of the crisis is the most painless way out, a way which corresponds to the interests of the workers, a revolutionary way out of the crisis. The broad masses, the workers, the farmers and the poor of the towns must know that the revolutionary struggle for the annulment of debts is one of the chief lines of the struggle for the revolutionary way out of the crisis.

The bourgeoisie seeks a way out of the crisis in war and intervention.

The proletariat seeks a way out of the crisis in revolution.

The task of preparing the proletariat for the great revolutionary struggles that are coming—and in a number of countries for the coming decisive struggles for power—is in full accord with the new estimation of the objective situation as given in our theses. This preparation constitutes the *strategic transition*, which we have to effect, to the new coming series of wars and revolutions. He who does not envisage a mere empty phrase in our statement that we have reached "the end of capitalist stabilization," but sees in it an important fact which obliges us to draw political conclusions, draws from it, if he is a Communist and a revolutionary, if he is a Marxist and a Leninist, precisely this conclusion. Most rapid preparations of the million-strong revolutionary army, above all in the great capitalist countries, for the coming struggles of power!—Kuusinen in report to *Twelfth Plenum* of E.C.C.I.

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A New Phase In the Struggle For Social Insurance

By C. A. HATHAWAY

(*Excerpts from the Report on Social Insurance, delivered at the Albany Conference on Labor Legislation, March* 5, 6 *and* 7)

COMRADES, social insurance is today a most urgent necessity for the *entire* working class, for the employed workers, as well as the unemployed. So long as capitalism exists, mass unemployment will henceforth permanently haunt the American workers. Crises such as the present will regularly recur, and each time with increasing severity. Rationalization in the factories, greatly stimulated by the crisis, will keep millions permanently jobless. The intense speed-up—a phase of rationalization—will greatly increase the unemployment due to accidents, disability, sickness and old age.

The financial crisis of the past few days must inevitably prolong and deepen the general capitalist crisis, bringing a further sharp decrease in employment and a great increase in part-time work. Social insurance, and particularly unemployment insurance, therefore becomes a daily more urgent problem.

All workers should realize that there can be no security for themselves or their families; there can be no guarantees against a continuous re-occurrence of the present starvation conditions affecting millions, unless the toilers are able to force the adoption of a system of full social insurance.

Of course, the workers are correct when they fight as at present for their most immediate day to day needs. It is a life and death matter that they fight to force immediate concessions, such as increased relief, the ending of the criminal delay at the relief agencies, the stoppage of evictions and wage cuts—in short, for the maintenance of their living standards at the highest possible level.

These daily struggles—necessary as they are—cannot be a substitute for the broader and historically more significant struggle for social insurance. On the contrary, comrades, these day to day actions must serve to draw the masses, millions strong, into the fight for social insurance.

This conference, therefore, while rallying the workers for still

* The full speech of Comrade Hathaway is being published as a pamphlet and can be obtained from the Workers Library Publishers.

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more determined struggles for their immediate needs, should place the main emphasis on social insurance, the central demand of the workers. We should formulate and demand the adoption of a social insurance system which guarantees *complete security* to the workers in all cases of unemployment, in period of sickness, disability, maternity, accidents, old age, etc., and particularly when unemployment is due to mass lay-offs resulting from rationalization or periodical capitalist crises. Such a system must also completely provide for the widows and orphans of the toilers. Nothing short of this; nothing short of *full* social insurance must satisfy the masses.

* * * *

Comrades, our fight is a fight for social insurance. But it is more than that. It is for a social insurance system really in the interests of the workers. This point must be emphasized.

A whole series of so-called unemployment insurance bills are now being brought forward. But not a single one of these so far introduced was drafted with the viewpoint of aiding the workers. They are designed to aid the capitalists. Their aim is to cut down the cost to the bosses of maintaining the unemployed. They want to transfer the burden of caring for the unemployed millions from themselves to the toilers. These are the aims of the present so-called unemployment legislation.

For proof, let us start with this statement of the National Industrial Conference Board, in which they give advice to the big capitalists:

> "The movement for unemployment insurance legislation has gained great momentum in recent years. It is promoted by well organized propaganda, greatly aided by distressful unemployment conditions resulting from prolonged depression.
>
> " . . . industry cannot afford to pursue a policy of inaction. . . . Agreement should be reached among employers on the fundamentals of a program of unemployment *reserves* that might reasonably be supported *as a substitute for unemployment insurance.*"

I will deal a little later with "reserves," as against insurance. Here I only wish to emphasize that we are in a fight,—with the employers and all their hirelings lining up their forces in an effort to block real social insurance. It is this fact that indicates that we have entered into a new phase in our struggle for social insurance.

Our fight today is not merely a fight for *our* demands. It is with equal emphasis a fight to expose the bogus, substitute proposals of our class enemies. Until now we have conducted general propaganda for social or unemployment insurance. This is no longer sufficient. As the bosses admit, "the movement for unemployment

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insurance legislation has gained great momentum." The question, therefore, has now become, *what kind of social insurance?* This new phase in the struggle for social insurance requires that we thoroughly expose the anti-working-class character of the bosses' proposals, and that we with equal clarity define our own position.

The most common type of bill now being brought forward is a type the bosses choose to label "unemployment reserves." They counterpose unemployment "reserves" to "insurance," but in statements to the masses they try to create the impression that this "reserves" legislation is really insurance legislation. Most workers have not taken the trouble to examine these proposals. Very few workers know what these bills contain. They have not studied the underlying principles back of them. Today, it is our task to explain exactly what these proposals would mean to the workers, as the first step in arousing the masses for a conscious struggle against them.

The best known of these proposals is the one adopted last year in Wisconsin, and now known as the "Wisconsin Plan." It now serves as the pattern for practically all other State legislatures, and is therefore of general interest. This Wisconsin law is based on the principle of unemployment "reserves," and not insurance. The underlying principles behind "reserves" and insurance are fundamentally different, as we shall see.

I will let the commission of the Wisconsin State Legislature, which recommended this bill for adoption, provide its own description. In their report to the legislature, they state:

> "The measure which we recommend is admittedly not a complete solution for the unemployment problem. Each employer assumes responsibility only for *his own regular employees,* benefits being in proportion to the length of their employment, *at best only for* 10 *weeks in any one year.* The maximum benefit is $10 per week. The employees *regularly attached* to industry would receive limited compensation, which would in all probability be *inadequate* in times of prolonged depression and would constitute only *a very modest dismissal wage* if such employees were permanently displaced by machines or other technological changes. Moreover, other equally needy workers only casually or sporadically employed would receive *virtually no protection whatever.*"

For the moment, please ignore such questions as the amount paid per week, the number of weeks for which payments are made, etc; these points, important as they are, do not bring us to the heart of this unemployment "reserves" system.

The *insurance* principle, supported by the Communist Party, as you will see a little later, emphasizes the need of setting up a *common unemployment insurance fund*—the funds to be provided by the

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State and the employers—out of which *all workers* who are unemployed for any reason whatsoever, are regularly to receive an amount each week equal to their *average wages* for the *entire period* of their unemployment. This principle is based on the theory of a *social* responsibility for the maintenance of the unemployed and their families. We say that the capitalists and their government must assume the social responsibility for either supplying jobs or of providing *insurance*.

The "*reserves*" principle, embodied in the Wisconsin law, is based on quite different principles. It ignores the responsibility of a society for the welfare of its people; it approaches the question of unemployment from the viewpoint of capitalist individualism, of capitalist profits. This is the fundamental question which we must examine. Starting from this individualistic, rather than from the social viewpoint, the Wisconsin law rejects the idea of a *common* unemployment insurance fund, and instead provides for a *separate fund for each single employer*. An unemployed worker can only draw benefits from his own previous employer for a limited period, and even then only if there are funds in his employer's account.

The purely capitalist, anti-working-class ideas back of this system can be seen by quotations which I will bring from several authoritative sources.

First, I will quote from the *American Labor Legislation Review*, the organ of the American Association on Labor Legislation—a purely capitalist outfit. This journal deals here with the fundamental difference in approach between workers and capitalists to the problem of unemployment insurance. They understand very clearly that the workers see unemployment insurance one way, and that they, the capitalists, see it in quite a different way. They sharply formulate this difference in the following paragraph:

> "The two kinds of reasoning are perfectly rational if one understands the two kinds of psychology. The workers are most impressed by their sufferings on account of unemployment and *they want a common fund that will take care of all the unemployed*. This they could get *only* by the *insurance* principle. (Please take note!—C. A. H.) But the employers are most impressed by the *competitive* psychology and they do not want to turn over to their competitors any funds just because their own efficiency gives longer employment to their own employees. (I will say a word later on their motives.—C. A. H.) So they all agreed to adopt a plan of 'house funds,' each employer being entitled to cease premium payments if he established a record of stabilizing employment. This principle is carried to its limit by the Groves law (now known as the Wisconsin law.—C. A. H.) *There is no 'insurance or common fund at all.* Each employer is made individually responsible *only for his own employees.*

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> "Evidently the funds obtained by the Wisconsin Law which provides for a contribution by the employer of only 2 per cent of payroll, will be *wholly insufficient* to make much of a dent as an unemployment *relief* measure. The main purpose is unemployment *prevention* (emphasis in original, and we will refer back to this.—C. A. H.) by offering the employer *a profit* to the extent that he succeeds in preventing unemployment. *It is extraordinarily an individualistic and capitalistic scheme.*"

This is an unusually frank statement, but John R. Commons of the University of Wisconsin, speaks even more plainly in support of this unemployment "reserves" type of legislation.

> "It is a capitalistic scheme," declares Professor Commons. "It avoids the socialistic scheme, (Socialist Party members will please take note!—C. A. H.) in that the State does not go into the *insurance* business; it avoids the paternalistic scheme in not paying out relief for an inevitable accident. (Such as a crisis like the present! —C. A. H.) It induces the business man to *make a profit* or *avoid a loss* by efficient labor management. (By employing fewer workers!—C. A. H.) *It places the compensation so low that the workman has no expectation of more than enough to pay his rent.*"

In these two statements it becomes undeniably clear that these proposed unemployment "reserves" systems are plans to aid the capitalists and not the workers. In fact it is admitted that in bringing forward these reserve plans, the employers hope that they will be "supported as a *substitute* for unemployment insurance."

But there may be some workers who care little whether the approach is "capitalistic" or "socialistic," whether the bills are a "substitute" or the "real thing"; they will put the simple question, "What do we get out of it?" And the bosses agents will reply by attempting to prove that the "reserves" system is better even for the worker.

Let us, therefore, look at these proposals in terms of the realities of the present crisis. Then, it must first be noted that unemployment "reserves" legislation does not make provision to care for the unemployed during periods of crises; it does not provide for periods of *mass unemployments* arising from any cause. This is "fair weather" legislation; it provides only for seasonal unemployment during the "normal" moments, the "prosperity" moments of capitalism; it provides only for the between-crises periods, and then only for the so-called "stable" and "permanent" employees. This "reserves" legislation, likewise, does not cover unemployment resulting from technological changes except to provide "a very modest dismissal wage," *i.e.* $10.00 per week for 10 weeks provided you have been one of the "permanent" employees of the company up until the moment you were fired. These facts are already quite clear from the above quotations; they are brought out still more sharply in the following state-

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ment taken from the recent report of the National Industrial Conference Board:

> " . . . the responsibility of the employer toward his *stable* and *permanent* workers and his obligation to assist them to make provision against unemployment *do not extend to provision against depressional unemployment,* since the causes of business depression are beyond the control of the employer. . . . . Industry cannot reasonably be expected to make provision for depressional unemployment *but only for seasonal or temporary unemployment . . . in normal times.*"

In other words, the present sixteen million unemployed and their hungry families, the victims of "depressional unemployment," have nothing at all to expect from unemployment "reserves" legislation. These sixteen millions are relegated to the dump heap as a worthless body in society, as "needy workers only casually or sporadically employed [*who*] *receive virtually no protection whatsoever.*" These sixteen million, and other hundreds of thousands who still may join them, are to continue to exist as best they can under the miserable private charity system—as virtual beggars in a world they built!

It is because the capitalists accept no social responsibility for the millions of unemployed victims of capitalist crises and rationalization that they so vigorously oppose the *insurance* principle which embodies the idea of a *common insurance* fund. Their conception, as they put it, is "individualistic," *i.e.* a separate fund for each separate employee, and compensation only for "stable" and "permanent" workmen. They hope to "*make a profit*" or "*avoid a loss*" by reducing labor turnover in normal times, by being able to re-hire competent workmen after short seasonal shut-down, etc. In short, it is not a measure, at all, for the masses; it is only a way by which the bosses wish to increase their own profits at the expense of the masses.

* * * *

Here in New York State two bills have been introduced, both based on the Wisconsin Plan. One of these is the Mastick bill, the other—the Byrne-Condon bill. These bills in all their essentials follow the Wisconsin "reserves" system. Neither of them contain provision for a *common insurance fund,* nor are they based on the conception of social responsibility for the care of those to whom capitalist society is unable to provide jobs. They also aim to help the business man "make a profit" or "avoid a loss" by stabilizing his working force in *normal times,* in the increasingly shorter periods between mass "depressional unemployment." For crisis periods, when millions of workers really need help most, these proposals offer absolutely nothing.

These are the most fundamental differences which we have with

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the "reserves" proposals, *i.e.* we stand for the *insurance* principle based on *a common insurance fund* from which *all workers* are to receive regular weekly compensation for the *entire period* of unemployment; the bosses, on the contrary, oppose the insurance principle and advocate the "reserves" principle based on a separate fund from which only "stable and permanent" workers shall receive compensation for *limited periods*, and then only during other than periods of crisis—during so-called "normal" periods.

The basic points having been dealt with at length, I can now deal breafly with some of the other features of the bills.

The Wisconsin plan (if and when it goes into effect) provides for weekly payments ranging from a $5 minimum to a $10 maximum; one week's insurance is to be paid for each four weeks of employment, with compensation for a maximum of *ten weeks in any one year*. "What of the remaining 42 weeks?" you ask. That's just the point! After the 10 weeks, you join the present sixteen million on the dump heap, the social outcasts, the "casually and sporadically employed."

The Mastick bill provides for a weekly minimum of $5.00 and a maximum of $12.50; you must be unemployed three weeks before you can begin to draw compensation, and then compensation is limited to a period of 12 weeks in any one year—provided there are funds in the *separate* account of your past employer. After the 12 weeks you can live the remainder of the year on air.

The Byrne-Condon bill differs only from the Mastick bill so far as the weekly maximum is concerned—it also starts from a $5.00 minimum, but goes as high as $15.00 weekly for highly paid employees. The number of weeks for which compensation may be drawn is increased to sixteen weeks in any one year. During periods of crisis and of mass unemployment due to technological changes, the authors of this bill only expect you to exist 32 weeks a year without an income or a job. As you can see, they are "liberals" in the bourgeois camp.

But again, I emphasize, neither the Wisconsin plan, nor the Mastick or Byrne-Condon proposals make any provision whatsoever for the millions who are *now* unemployed; they only propose to provide within the above limits for those stable and permanent workmen who may become unemployed after these bills go into effect, and after, on the basis of a 2% payroll tax, each separate employer has built up his own separate fund to a minimum of $50.00 for each worker employed. This should give every worker an idea of the farcical character of these bourgeois proposals which they hope to put over as a "*substitute for unemployment insurance.*"

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Now, what kind of *insurance* do we want? There is fortunately much international exerience which enables to clearly formulate our position. I will present the proposals drawn up by the last Congress of the Red International of Labor Unions; these, I am convinced, are proposals that every worker can and will fight for as soon as the fundamental difference between these and the bourgeois proposals are clearly brought out, as I have attempted to bring them out here. The R.I.L.U. proposals are the following:

1) *Universal social insurance;* all workers, including agricultural laborers, employes and small craftsmen, with their families, are to be insured against *all kinds of calamity*—unemployment, sickness, vocational diseases, disablement, accidents, and maternity, widowhood, and old age. We insist upon complete coverage for all workers and their families.

2) We demand *centralized management* of the organs of social insurance by the workers themselves, *by organs created by the workers.* The present relief apparatus is an example of the graft, corruption and anti-working class outlook that permeates the bourgeois-controlled relief organs. We demand the administration of the unemployment insurance system by the workers themselves, with the State and employers completely excluded.

3) Social insurance payments are to compensate the workers, in *all* cases of disability to work, at the *full amount* of his wages for the *full period* of disability to work *without any preliminary waiting period* necessary. The cost of the social insurance system is to be borne entirely by the employers and the State. No transfer of the cost of the insurance to the workers to be permitted in any form. (No wage reductions, no lengthening of hours, no higher prices, etc.)

4) We demand that the social insurance system include Negro and foreign-born workers employed in the country, as well as the colonial workers employed in American colonies, *without discrimination.*

* * * *

Comrades, it is around these fundamental principles that any social insurance bill drafted by the workers must center. We must stand by these proposals, with the insurance principle and a common insurance fund as the basis, as against all of the "reserves" proposals of the bourgeoisie. Here in this conference a bill has been presented based on the points enumerated as basic by the R.I.L.U. I am sure that bill will be approved by this conference.

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The Problems of the American Revolutionary Youth Movement

NINTH PLENUM OF THE YOUNG COMMUNIST INTERNATIONAL

By JOHN MARKS

THE recent plenum of the Young Communist International following soon after the Twelfth Plenum of the Comintern had as its main purpose to define the role and tasks of the Communist youth movement in the present period of "transition to a new round of big clashes between classes and between states, a new round of wars and revolutions." The plenum established the fact that in spite of achievements in the mass work and growth of certain sections of the Y.C.I., the Communist youth movement lagged behind the growing tempo of class struggle. The decisions of the plenum were aimed at indicating the path that the revolutionary youth movement shall take to equip it to be a factor in assisting the Parties in winning the majority of the working class for the impending struggle for power. A necessary condition for properly understanding the problems of the American youth movement lies in an understanding of the conditions of the American youth and their role in the class struggle.

END OF CAPITALIST STABILIZATION AND THE TOILING YOUTH OF AMERICA

The four years of economic crisis has produced sharp changes in the material conditions and in the mental outlook of the working class youth. In the past large numbers of youth were drawn into the fast developing industry as a source of cheap labor. Today the wheels of industry are practically at a standstill. In almost all basic industries youth have been practically ousted. The lower wage that they once received is now paid to adults. Every year students graduate from the schools eager to get jobs and make a livelihood but there is no room for them. They graduate into starvation. The proportion of unemployment is greater among the youth than adults as a whole as new recruits grow up for the army of hunger. In most cities relief is denied the youth. Unwilling to be dependent

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on the meager relief given to their destitute families, hundreds of thousands of youth have "hit the road" in a vain search for work and to lessen the family burdens. The army of homeless youth is a new product of the crisis. Thousands of farming youth add recruits to this homeless army. Before the crisis there was a predominant flow of youth from farm to city. In 1932, hunger reversed this process. Now poverty on the farm drives the youth onto the road with no destination in mind. The worsening conditions of the youth is accompanied by a cultural decline. Schools are shut down. Many curriculums eliminate everything but the necessary three R's. School building programs are scrapped and youth and children are herded into overcrowded class rooms. The educational system in America is going along the path of the boasted "crisis proof" industry. Bourgeois critics question the need of universal education and ask for curtailments because of an "overproduction of education."

These conditions have expressed themselves first in a growing participation of youth in strike and unemployed struggles. South River, Trenton, N. J. High Point, etc.) Radicalization especially shows itself by the *inclusion of new strata of the youth in struggles* (farmers, students). During the last year there has been a ferment among the students, expressing itself in the formation of the left wing students' movement which has demonstrated its fighting qualities on more than one occasion and and which closely links up its struggles with those of the working class. The struggles of the farmers showed the incomparable fighting mood that has developed among the agrarian youth.

The outlook of the youth is changing. They question the soundness of American capitalist institutions; they question those dogmas that the educational system has taught them and wonder what future the present system offers them. Some take positive action by participating in class battles. Others are confused and groping. A youth consciousness is developing. It is expressed in a number of youth publications that have recently appeared (*Voice of Tomorrow*, *Modern Youth*, etc.) The *Voice of Tomorrow*, published by group of Negro youth, expresses itself in the following way:

> "During the various wars in which this race of ours has engaged, the draft boards did not take old men. They took youth. The armies have been made up of boys. Now if boys are good enough for cannon fodder, they are good enough for public affairs, and certainly if the nation places itself in the hands and keeping of a boy army in time of conflict, it must of a certainty look toward youth for the answer to the present day condition of economic crisis."

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In Kansas City an organization calling itself the National Youth Movement has been formed. It states its purposes thus:

> "This organization pleads for positive action on the part of the youth of the nation. Business leaders and politicians have evidently found themselves helpless in their efforts to correct the mistakes which have led us into the sorry plight in which we now find ourselves. Through organization and straight thinking, it is the hope of the National Youth Movement that some order may be secured out of our present chaos."

The effect of the crisis on the youth is leading to an effort to state the problems of the youth,—and in most cases to a confused groping for a solution to their problems. This places greater demands on the revolutionary youth movement to bring clearly its own message to the youth and not allow our enemies to capitalize on these movements and direct them along reactionary paths.

The ruling class attempts to maintain illusions and confusion among the youth and to prevent the growing process of radicalization by the assistance of the mass youth organizations that it has created. At least five million out of 20 million youth between the ages of 16 to 24 are embraced by the large, centralized youth organizations (Y.M.C.A., Amateur Athletic Union, religious organizations, etc.) During the crisis these organizations have increased their efforts to maintain their influence over the youth and recruit additional youth by reducing fees, by organizing special activities among the unemployed youth to "prepare them for further emergences and to ward off detrimental ideas." The so-called "neutrality" of these organizations has been replaced by more direct anti-Communist and patriotic propaganda.

> "The bourgeoisie, considering the deep fermentation among the youth, their class inexperience and the existence of a great strata of declassed elements among the youth as a result of the economic crisis, utilizes law, religion and its mass youth organizations to mobilize all their forces and means in order to direct the activities of the youth into harmless channels of *nationalism* and *chauvinism* and introduces a system of forced militarism and fascism of the youth." (Y.C.I. Plenum resolution.)

These words are borne out in America by the efforts of the Roosevelt government to introduce veiled and open military camps for the unemployed youth.

THE STRUGGLE FOR MASSES OF AMERICAN TOILING YOUTH

The main resolution of the Y.C.I. Plenum characterizes the work of the American League by stating:

> "The Y. C. L. of the U. S. A. plays a very weak role in the struggle against the offensive of the bourgeoisie on the economic

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political rights of the working and farming youth and especially the Negro youth and lags behind the growing struggles of the unemployed youth in the political and organizational sense."

Tho correctness of this characterization is borne out by the fact that the American League has organized few independent strike actions of the youth and in most cases has not been a factor in mobilizing the youth for the general struggles of the workers (auto strike—Detroit, miners, etc.) The League has carried on entirely too little work in mobilizing the white and Negro youth to force the release of the Scottsboro boys. It has not aroused youth to defeat various political measures aimed at the interests of the working and student youth (school retrenchment policy, vagrancy laws, curtailment of recreational facilities, etc.) It has not aroused large masses of youth to fight together with the adult workers to force the capitalist government to retreat from its insolent policy of refusing relief for the bulk of unemployed youth.

The Plenum indicated the decisive link for all sections of the Y.C.I. in the struggle for the masses of youth which applies especially to America. It stated:

"Only in the persistent struggle for the economic interests of the youth, against their poverty and degradation in the factories, mills, farms, among the unemployed youth and in the forced camps the Y. C. L. *can* and *must* win its influence over the broad masses of toiling youth and be at the head of their revolunary activity. The decisive link in the struggle for the masses toiling youth is the establishment of the united front from below on the basis of defending their economic interests."

On the basis of the few struggles that the League has initiated since its last Convention it has doubled its membership and increased its influence. This indicates the path that the League must follow but more energetically than in the past in order that it can be transformel into a mass organization. It is necessary to examine the practical work of the League to see what main problems face it in involving the youth in economic struggles.

* * *

The League is handicapped in giving leadership to the youth because of its separation from decisive sections of the youth. This separation is most sharply expressed in relation to the shops. The bulk of members are divorced from industry and therefore the League is not sensitive in reacting to the needs of the employed youth. There are two main reasons for this. Firstly, the process of eliminating youth from most of the basic industries has narrowed the Y.C.L. base in industry. Secondly, and most important, is the

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fact that the League has no persistent line in making inroads among the employed youth. Many times when difficulties are encountered at shops of concentration due mainly to our own bad methods, there is a tendency to surrender to difficulties. (Stockyards, Chicago.) There are even attempts on the part of some people to justify their inactivity by the theory that "youth are out of industry." Where the League has persisted in its work, where it has taken hold of the small grievances of the youth, it can show results, as in the case of the Regal Doll Co., in Trenton where the League led a successful strike. Where the leading committees of the League have regarded every employed member as a key person and have given them detailed guidance in conducting work in their shop, actions have been developed.

The Party must become a factor in overcoming the League's isolation from the shops. The Y.C.L. Plenum emphasized the need of joint activities to build Y.C.L. nuclei where ever there are Party shop nuclei. At present the proportion of Party nuclei to League nuclei is 10 to 1. This gap must be bridged in the shortest period of time.

In the past period the main mass activity of the League has been among the unemployed youth. The League has led independent actions of the unemployed youth and has participated in the general unemployed action. These actions have involved tens of thousands of youth but these youth have not been organized and made part of the unemployed movement. Thus the League has not established permanent daily contact with these youth, but only a casual contact during the period of the given struggle. This has been due to a purely agitational conception of our relation to the youth and because of a disregard for the need of organization. There has been a mechanical approach to the problems of organization. Instead of understanding that the problem is to organize the youth in whatever form they desire, as long as the form serves to draw the youth closer to the organized unemployed movement and activize them for struggles, many comrades have tried to place youth into prescribed forms of organization with bad results. Among some adult comrades there has been a resistance to forming clubs, unemployed youth committees, and youth groups under the cry of "don't separate the youth from the movement." Youth comrades have been attacked for separatist tendencies when they have insisted that they have as their main duty, work among the youth to organize them and develop actions for the right to live. Such misconceptions can only serve to aid the separation of the League from organized masses of unemployed youth.

The isolation of the League is sharply shown in its lack of

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contact with the masses of youth within the organizations of our opponents. It can be safely said that less than 10% of the membership are connected with such mass youth organizations. The Y.C.I resolution stated on this question:

> "The Y.C.L. must with full Bolshevik persistence and consistency, liquidate the neglect and sectarian underestimation of the struggle for the masses of the toiling youth who are in the Socialist, reformist, fascist, syndicalist, Christian, militarist and other youth organizations, drawing the members of these organizations into the class struggle on the basis of the united front from below and carrying on among them, active, revolutionary political mass work."

The work among these youth has been handicapped because of tendencies to regard the youth of these organizations as enemies, as backward and reactionary. Instead of a struggle *for* these youth there has been the conception that our struggle is *against* these youth. The problem that faces the League at present is to establish contact with every possible kind of youth organization, and in the first place those organizations with the greatest proletarian composition, with organizations in the vicinity of large shops, in Negro youth organizations. This is not to be limited to sending individual people for the purpose of recruiting one or two youth for the revolutionary movement. The purpose of establishing contact with the youth in the bourgeois organizations is to unify them in struggles for their economic demands, in the struggle for Negro rights against political reaction and against imperialist war. Through work in these organizations the League should strengthen its contact with youth in the factories. In this struggle we will succeed in exposing the anti-working class teachings of these organizations and establish their confidence in Communist leadership. This demands that the narrow approach of the League in regard to the united front tactic must change. United fronts on various youth issues must not embrace only the narrow circle of sympathetic youth groups as they have in the past but should draw wide sections of youth who are in the organizations of our opponents into *active*, democratic participation. It is necessary to guard against sectarian tendencies to create splits of a handful of people from these organizations while the mass of members remain under the influence of the opponents. The larger organizations of the opponents should be made Y.C.L. strongholds in the sense that we influence the mass of members of the given institution ideologically in spite of the fact that they utilize the facilities (sports, club rooms, etc.) that are offered to them. In the larger organizations (Y.M.C.A.'s, Settlement Houses, etc.) it shall be our line to form Y.C.L. nuclei that concern them-

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selves in detail with the problems of winning the youth of these organizations.

SURPASSING THE PARTY IN MEMBERSHIP AS A PRACTICAL TASK

The present period demands the transformation of the Y.C.L. into a mass organization larger than the Party in numbers. The Eleventh Plenum of the Comintern raised this perspective for the entire Communist movement. Only in Poland has this task been fulfilled. In America, the Party at present is 4 times larger than the League. The task of converting the League into a mass organization has been regarded as "far fetched," as an agitational slogan and not as a practical task. The Plenum of the Y.C.I. dealt sharply with the resistance of the opportunist Mueller group in the German Y.C.L., who openly fought against the decision of the Eleventh Plenum under the slogan of "the task is impractical under capitalist conditions." The carrying through of this task demands in the first place the closest assistance of the Party in making the League a leader of the youth in the struggle for their needs. This is the key to any growth. It is necessary at the same time to clearly define the exact role and character of the League as a youth organization. This makes it necessary to alter our present conceptions of what the Y.C.L. should be.

The League must not be a duplicate of the Party—a young Communist Party. It must be a school for Communism, of a broad educational character. The conception of who can join the Y.C.L. must be altered. The League must include in its ranks wider strata of the population than the Party recruits (students, certain strata of the petty bourgeois youth, etc.) The League must not be an organization of the elite,—an organization to which only the most advanced youth can belong. If the League is to be a school for Communism, it must admit youth who may not agree with the full Communist program, but who are willing to conform with the fundamental organizational principles, who are willing to carry on struggles and who are willing to *learn* to be Communists.

Discipline in the League must be less rigid than that in the Party. We must take into consideration certain characteristics of the American youth. The American youth as contrasted with the youth of Germany or other European countries where the level of class consciousness is higher, have not been drawn into political organizations. Few belong to trade unions. The bulk of American youth's conception of organization is a loose social or educational club, where the requirements for activity and discipline are meager. When they enter the League many youth are confronted for the first time with an organization that correctly demands

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more activity and discipline on their part. Discipline in the League should be based on conviction and must take into consideration the political maturity of each member and not a mechanical discipline and a uniform treatment of all members. The effort to establish the correct type of discipline in the League should not mean an excuse for anarchy. The increased tasks that face the revolutionary youth movement, plus the growing acts of terrorism on the part of the ruling class demand an adjustment, rather than a rejection of discipline.

The Y.C.L. from its character as a youth organization must improve its inner life to conform with the desires of the youth. Social and sports activity should be encouraged. With the full assistance of the Party the education in the League must be vastly improved. The low political level of the bulk of League members today stands in the way of reacting to political problems and creates hesitancy in approaching the masses of youth of different opinions.

The conversion of the League into an organization of a broad character does not in any way negate the role of auxiliary youth organizations that shall organize the youth who are as yet not ready to join the Y.C.L. but who are interested in a certain phase of working class activity. The Y.C.I. Plenum placed the task before all Leagues to assist the present auxiliary organizations (sports, cultural, defence, etc) to become much larger than the League in size and to create every possible type of youth organization to embrace the youth and to counteract the influences of the ruling class. In America there are numerous mass organizations under the influence of the Party. With the full assistance of the Party, and as a first step, the youth whom these organizations influence, must be organized.

The Y.C.I. Plenum made decisions relating to the struggle against imperialist war and the struggle against social fascism among the youth. It inidicated serious weaknesses in the internal work of the Leagues and demanded a reconstruction of the system and methods of work of the Y.C.L. as a means of equipping it in carrying out the mass tasks that faced the revolutionary youth movement. A special resolution embodied the tasks in the building of a mass children's movement. Space does not allow for comment and elaboration of these problems. Only a few of the fundamental problems of the Plenum can be dealt with at present.

* * *

The carrying out of the decisions of the Y.C.I. Plenum demands the increased assistance of the Party, and all militant adult organizations of the working class. The problem of transforming the sectarian League that we have in America into a mass organization

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that can play the role of chief assistant to the Party in the preparation of decisive revolutionary struggles, can not be the sole task of the Y.C.L. itself. The Twelfth Plenum of the Comintern stated

> "The E.C.C.I. insists that the Y.C.L. be converted into a real mass organization, and imposes on all Communist Parties the duty of securing an improvement in the political mass work among the youth and the strengthening of the Party leadership over the work of the Y.C.L."

The Sixteenth Plenum of the Central Committee of the Party in its resolution "Tasks of the Party in building the revolutionary youth movement" elaborated this further by stating:

> "The Y.C.L. cannot and does not replace the political leadership of the Party in the struggles of and for the proletarian youth; nor does it obviate the duty of revolutionary unions and other militant workers organizations to organize the young workers within their ranks and to raise the problems of the young workers in their struggles. . . . The present practice of all proletarian organizations conforms to the theory that the emancipation of the proletarian youth is the exclusive task of the youth itself. But this is wrong. The problems of the proletarian youth are the problems of the working class itself. . . . We show the youth that our struggles are their struggles and they have to help us fight our battles as the only possible method of fighting their own."

The Ninth Plenum of the Y.C.I. raised fundamental problems which if properly carried out will enable the revolutionary youth movement to make large advances. The present period that we live in demands that the decisions of the Plenum be made a guide to action for the Party and League in the struggle for the masses of toiling youth.

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The Bourgeoisie "Commemorates" Marx

By V. J. JEROME

THE commemoration of the fiftieth anniversary of the death of Karl Marx by the revolutionary proletariat of the world, has been countered by a campaign of hostility and slander on the part of the international bourgeoisie. To this end, the daily newspapers, the periodicals, the colleges, the lecture halls, and even the radio have during this period been pressed into special service by the enemy. As eager volunteers in this campaign there have come forward the leading theoreticians of social fascism for special work inside the ranks of the proletariat, to detour the movement from the revolutionary road to the way of reformism. In this country the official organs of the Socialist Party, the Socialist Labor Party, the Conference for Progressive Labor Action (Musteism), and of the renegades from Communism, have utilized the occasion of the revolutionary memorial of Karl Marx for the intensification of their consistent revision of all the fundamentals of Marxism. The *New York Sun* and the *Jewish Daily Forward*, the *Nation* and the *New Leader*, *Current History* and the *American Socialist Quarterly*, have all joined in a concerted drive to undermine revolutionary Marxism. What matter whether the appraisal is a sneering bourgeois editorial by a philistine hack, or an unctious eulogy by the "orthodox" Hillquit whose praise is charged with such phrases as "The Marxism of 1933 is not the Marxism of 1848"? What matter whether the anti-Marxism is of the open type of Harold Laski or of the double-dealing brand of Sidney Hook? Substantially each of these "tributes" is a voice in the chorus of rejections of the basic principles that Marx stood for and fought for.

We have selected for critical analysis the article by Max Nomad, "Karl Marx, The Myth and the Man," which appeared in the March issue of *Scribner's* magazine. We consider this article to be most representative, in that, presuming to treat the teachings of Marx in the light of Marx' life, it affords in broader scope the opportunities for beholding the various methods employed by the enemy in their writings on revolutionary leaders of the working class.

From the point of view of efficiency in their policy of desecrat-

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ing Marx, the editors of *Scribner's* could not have chosen a better man. Essentially an ignoramous with a charlatanic air of conversance with the private life of his subject, Max Nomad is just the man for the job of "laughing off" with a cynical swagger the life and achievements of the great founder of scientific Socialism.

Mr. Nomad's thesis is that Marxism is a conspiracy of declassed petty-bourgeois intellectuals to hoist themselves into power upon the backs of the working class. To achieve their control, Nomad holds, Marx and his followers set out, under hypocritical slogans of proletarian liberation, to lure the workers into bearing the brunt of the struggle, into offering themselves on the barricades for the Marxist generals who die in bed. The slogan "the dictatorship of the proletariat" is, according to this view, but a Macchiavellian conspiracy for the dictatorship of the declassed petty-bourgeois intellectuals over the proletariat.

If this ingenious thesis was designed to commend itself to the typical reader of the American bourgeois periodical, it is only because in the valley of the blind the man with one eye is a seer. But to those who may be charmed with Nomad's uniqueness and originality of thought, it may be of value to know that this theory, for which Nomad omits to give credit, is merely a rehash of the long discredited position of the Parisian Proudhonists who, in the early congresses of the First International, made it a point of moving for the exclusion of all "who are commonly called brain-workers". This attitude toward the revolutionary intelligentsia displayed itself anew, at the Geneva Anarchist Congress of 1873. Representing the viewpoint of small-holders and independent artisans in a country with a relatively low industrial development, the Proudhonists attempted to turn the International into a benevolent credit and exchange association on the principles of reformist cooperativism. Fearful of the revolutionary political turn that was given to the International through the leadership of Marx and Engels, they urged the exclusion of intellectuals from the International, meaning, of course, the Marxians, whom they accused of seeking to set up something resembling a "sophocracy" over the proletariat.

We find a belated echo of this theory in the writings of the Polish petty-bourgeois anarchist, Makhaysky, who came forward in the '90's with a renewal of the Bakuninist cult against the "conspiracy of the intellectuals." It is significant that Makhayskyism found a soil in the period immediately following the defeat of the 1905 revolution—an aftermath characterized by political indefferentism among the most backward sections of the Russian and Polish revolutionary movements. In the same manner, Proudhonism had

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its vogue in the political indifferentism following the defeat of the proletarian "June days" of 1848.

The thesis of Max Nomad proceeds from the lack of a clear conception of the term *social class*. It denotes a confusion of *class* —the coherent social group occupying a common position in production in a social economy based on private property, with a group within the class. To be sure, the intelligentsia is a distinct social group, but its class character is determined by the common interests of the broad social category—the class of which it is a part. Nicholas Murray Butler and the deluded Technocrat, collaborators though they may be in seeking a non-revolutionary way out of the contradictions of capitalism, stand, however, in classes quite distinct from each other—the one, in station and outlook, a bourgeois; the other, a petty-bourgeois. Whatever the role the intellectuals play either in class slavery or in class domination, they perform, not autonomously, but as a class element. The dictatorship of the intellectuals is, therefore, as unthinkable as, let us say, the dictatorship of the cobblers or of the travelling salesmen.

We dwell on this point because here is involved the question of the relationship of party to class. The bourgeoisie, the social- and anarcho-fascists cynically refer to the proletarian dictatorship in the Soviet Union as the "dictatorship of the Communist Party" over the proletariat. The social-fascists of the Austrian school, compelled by their left-wing pose to avow the acceptance in principle of the proletarian dictatorship, hastily counter that acceptance with rejection on the grounds that it is not of the proletariat but of the Communist Party.

If we should for a moment overlook the anti-working class dishonesty that motivates this allegation and charge its preposterousness to ignorance, we should say that these objectors are led to their misconception through confusing the relationship of leader to class. In a most concise paragraph, Comrade Stalin answered this very argument against proletarian dictatorship:

> "There is no justification for contraposing the dictatorship of the proletariat to the leadership (the "dictatorship") of the Party. The contraposition is inadmissible for the reason that the Party leadership is the most important element in the dictatorship of the proletariat—if we are thinking of a firmly established and effective dictatorship, and not of such a dictatorship as that of the Commune of Paris, which was neither firmly established nor effective. The contraposition is inadmissible because the dictatorship of the proletariat and the Party leadership are, as it were, complementary parts of one piece of work, and act together along the same line." (*Leninism*, International Publishers, New York, 1928, p. 41.)

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It is interesting to observe how a distorter perpetrates his travesty on Marxism. Nomad "quotes" Marx:

> " 'The emancipation of the German is the emancipation of man. The head of that emancipation is philosophy, its heart the proletariat.' "

And Nomad interprets the passage:

> "In other words, in a revolution headed by *philosophers*, that is, by the intellectuals, Marx needed the *workers*. It was not Marx who joined the workers in *their* need for a revolution; it was the workers who were needed in *his* revolution."

One must admit marvelling at the brazenness with which this "interpretation" has been rendered. One need only go to the sentence following this quotation from the essay "The Hegelian Philosophy of Right" to realize that Nomad has produced an interpretation which is the very antithesis of what Marx put into his statement. The next sentence reads: "Philosophy cannot be realized without the abolition of the proletariat, the proletariat cannot abolish itself without realizing philosophy." Marx clearly had reference in that passage to the dialectic unity and interpenetration of revolutionary theory and practice, to the emancipating role of that philosophy which springs from the experiences of the proletariat. *Head* and *heart* are with Marx metaphors for the revolutionary theory and practice immanent in the proletariat and in no way suggestive of the dualism, the brain-class and the brawn-class.

But Mr. Nomad goes happily along developing his thesis of the conspiratorial intelligentsia:

> "Marx and his friends joined the German Democratic Party. [This was shortly after the *Communist Manifesto* had been written.] Standing at its extreme left wing, they hoped to drive the German middle classes forward and force them to accomplish their historic task. In order to drive them forward, or even to prevent them from going back, the father of the proletarian class struggle was forced to ignore the aspirations and the very existence of the working class whose champion he is now celebrated the world over."

In support of his contention, Mr. Nomad adduces the charge that the *Neue Rheinische Zeitung*, although edited by Marx, "simply made no mention of the labor movement." One cannot refrain from exclaiming: Is it possible that Nomad is unaware that *Wage—Labor and Capital* had its first appearance in the columns of the *Neue Rheinische Zeitung;* that in May, 1849, after the publication of the "red number" containing from the pen of Marx a revolutionary address to the working class, the *Zeitung* was suspended by the Prussian government, following which Marx was expelled from

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Prussia after having been acquitted of the charge of high treason?

It is true that only towards the latter part of 1848 did the *Neue Rhenische Zeitung* turn its emphasis upon the open proletarian struggles, and that prior to that, since its founding in May of that year, the organ stressed for the greater part only the political aspects of those struggles. But the newspaper was from its founding to its suppression a revolutionary voice, devastating in its criticism of the bourgeoisie. How eloquently this is borne out, for example, by the article that appeared on June 28, 1848, after the defeat of the Paris proletariat:

> "The workers of Paris were crushed by the superior forces of their enemies—they were annihilated. They are beaten, but their enemies are defeated. The momentary triumph of brute force is purchased with the destruction of all the seductions and illusions of the February Revolution, with the complete disintegration of the old Republican Party, with the splitting of the French nation into two parts—a nation of owners, and a nation of workers. The Republic of the tricolours will henceforth be of one hue only—the colour of the vanquished, the colour of blood. It has become a Red Republic. . . ."

Is this the oblivion to which Nomad would have us believe the working class was cast by Karl Marx upon his entry into the Democratic organization? Marx' association with the Democrats was not an act of assimilation but of united front. Marx and Engels worked among them, not as Democrats, but as Communists who sought to transform them from a reserve force of reaction into an ally of the proletariat.

It was in March, 1850, two brief years after the publication of the *Communist Manifesto*, that Marx composed his celebrated *Address to the Communist League*. Since this is the period to which Mr. Nomad particularly refers in his accusation that Marx forgot the working class and centered his program only about the demands of the petty bourgeoisie, this document is perhaps the most attestative to the position held by Marx on the principle in question.

It should be borne in mind that the first open bid for power in history on the part of the proletariat, although meeting with bloody defeat on the streets of Paris in the June days of 1848, left an expectation of an imminent occurrence of a fresh proletarian insurrection. The defeat of 1848 had left its lessons to the working class. The bourgeois-democratic revolution had come to be seen, not only as the rounding-out phase of the Great French Revolution, with the industrial bourgeoisie brought politically to the fore, bust as the fundamentally new stage in social revolutions. For now the proletariat, from an ally with the progressive bourgeosie in the

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initial—the bourgeois-democratic—phase of the revolution, is transformed into an antagonist against its erstwhile ally, in struggle for the continuation and development of the revolution to its logical consequence, the proletarian dictatorship. It is in behalf of this struggle for the furtherance of the revolution by the workers that Marx hammered out the slogan: "Their battle-cry must be: 'The revolution in permanence.'"

But here enters the problem of analyzing the class forces that come into play in the revolution. The Marxian analysis of class relations is not the crudity to which Mr. Nomad aims to reduce it—a "two-dimensional pattern of 'capitalist' and 'proletarian'." In every treatment of the subject, particularly in his historical writings, Marx presents the complex play, inter-play, and counter-play of the various class factors in their origin, their latency, their emergence, their struggle, their rising, their recession, their defeat, their victory. He shows how in one phase of the revolution classes destined soon to engage each other in a life-and-death combat, the industrial bourgeoisie and the proletariat, coalesce against the common foe, the financial oligarchy. He shows how, in the ensuing phase, the victorious bourgeoisie, fearful of the extension of the revolution by the proletariat, makes common cause with the defeated reactionary class. He shows how the bourgeoisie in power plays peasantry against proletariat in an effort to keep the two from allying. He shows the alliance of the small with the big bourgeoisie as the proletariat presses forward toward its revolution.

He shows that the revolutionary strategy of the proletariat involves the setting up of an adequate relationship between itself and the class that stands midway between it and the bourgeoisie—the petty bourgeoisie, principally the peasantry. A renewal of the alliance, but upon a new plane, with the proletariat as leader! The victory of the proletariat is conditioned upon the transformation of the peasantry, through this alliance, from a reactionary, bourgeois-led class into a maker of the proletarian revolution for the common liberation of proletariat and peasantry.

In this alliance with the rural and urban toilers against big capitalism, the proletariat must never for a moment relinquish its leadership, its onward pressure. It must never for a moment yield its true revolutionary urge for the complete overthrow of capitalism to the leadership of the lower middle class whose fight against the bourgeoisie is waged in the hope of maintaining for itself a place in the capitalist sun. And so Marx warns the working class in his *Address to the Communist League*:

> "We have seen that the democrats will come to power in the next phase of the movement, and that they will be obliged to propose

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> measures of a more or less Socialistic nature. It will be asked what contrary measures should be proposed by the workers. Of course they cannot in the beginning propose actual Communist measures, but they can: 1) compel the democrats to attack the old social order from as many sides as possible, disturb their regular procedure and compromise themselves, and concentrate in the hands of the State as much as possible of the productive forces, means of transport factories, railways, etc.; 2) the measures of the democrats, which in any case are not revolutionary but merely reformist, must be pressed to the point of turning them into direct attacks on private property; thus, for instance, if the petty bourgeoisie propose to purchase the railways and factories, the workers must demand that such railways and factories, being the property of the reactionaries, shall simply be confiscated by the State without compensation. If the democrats propose proportional taxation, the workers must demand progressive taxation; if the democrats themselves declare for a moderate progressive tax, the workers must insist on a tax so steeply graduated as to cause the collapse of large capital; if the democrats propose the regulation of the national debt, the workers must demand State bankruptcy. The demands of the workers will depend on the proposals and measures of the democrats."

Certainly, none but a conscious enemy of the working class could be interested in interpreting this program of action as a complot to set a group of petty-bourgeois intellectuals in dictatorship over the working class.

At no time evidencing a capacity to support his anti-Marxism on theoretical grounds, Mr. Nomad falls back upon the expedient of waving aside Marxian theory with a cleverish gesture or else resorts to the trick of shifting from principle to person. Indeed, it is hard to find anywhere a more exemplary admixture of shallowness and scurrility. Where theoretical arguments fail him to support his preferment of Lasalle over Marx and Engels, he treats us to the remarkable interpretation that Marx was actuated to oppose Lasalle, since "he could not help being aware of the fact that Lassalle was the greatest orator of his time, while Marx lisped and Engels stammered in twenty languages."

Unable to meet theoretically the warnings of Marx and Engels against irresponsible anarchist insurrectionism, he again dives down into the muddied stream of his mind for motivations and brings up the pearly marvel: The revolution was unwelcome to Marx and Engels because "it might, perhaps, deprive them of the possibility of pursuing their economic and philosophical studies, which they apparently valued more than the actual mass movement." But this time Mr. Nomad is armed with factual evidence—a passage from Engels "inadvertently betraying their most secret thoughts!" This is the passage:

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> "After the Hague Conference, Marx was at last able to find repose and leisure for the resumption of his studies in the theoretical field, and there is good reason to hope that ere long the second volume of *Capital* will be ready for the press."

Does this need any comment, save for the re-emphasis that for Marx and Engels the writings and publishing of *Capital* meant anything but a holiday from the class struggle?

The only time Mr. Nomad grapples with a Marxian principle is in his surface discussion of the materialistic conception of history, whose claims to being a revolutionary theory he contests on the ground that they "have been contested." One is reminded of the thesis brought by the Church against the newly invented steamship: God has divided fire and water. Let not man unite what God has sundered! By the logic of Mr. Nomad, the steamship has no claim to validity, for have not its principles been contested?

When a man is as bent on beating Marxism at all costs, foul means serve as lief as fair. And so to the many stabs in the character assassination of Karl Marx, Mr. Nomad adds the time-dishonored charge of plagiarism.

> "It is what every opera conductor does," Mr. Nomad smartly tells us, "when he ventures upon becoming a composer himself. In short, the great theorist of the expropriation of material goods of other classes, was an unconscious practitioner in the appropriation of other men's ideas. In fact, most of the ideas expressed in the *Manifesto* had been either the common property of all socialist schools of the time, or the specific attributes of particular sects or individual scholars."

Scrape from the statement its gloss of cynicism, and all that is left is flat-mindedness and ignorance. Any worker who has begun his first readings of Marxism can tell Mr. Nomad that Marx did not come, nor looked upon himself as having come, upon the historic scene a heaven-inspired prophet of the millenium. The emergence of Marx the leader and theoretician of the proletarian forces in the class struggle was conditioned—and Marx has taught us this!—by the specific historical stage in the class society in which a new economic order, risen out of the ruins of feudalism, had brought into open insurrection against itself the last of the oppressed classes—the proletariat. The *Manifesto* is very clear upon this point:

> "The theoretical conclusions of the Communists are in no way based on ideas or principles that have been invented, or discovered, by this or that would-be universal reformer.
>
> "They merely express in general terms, actual relations springing from an existing class struggle, from a historical movement going on under our very eyes. . . ."

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In his letter to Weydemeyer, dated March 12, 1852, Marx asserts:

> "As far as I am concerned, the honor does not belong to me for having discovered either the existence of classes in present society or of the struggle between the classes. Bourgeois historians a long time before me expounded the historical development of this class war and the bourgeois economists the economical structure of classes. What I did was to prove the following: 1) That the existence of classes is connected only with certain historical struggles which are characteristic of the development of production. 2) That class war indispensably leads to the dictatorship of the proletariat. 3) That this dictatorship is only a transition to the destruction of all classes and to a society without classes."

Certainly Marx and Engels were not loth to acknowledge indebtedness to forerunners in the realm of theory. This acknowledgement, however, should not be understood as the indebtedness of individual to individual, but rather as the recognition of the contributory elements in the formulated philosophic system of an antecedent class society toward the development of the revolutionary world outlook of which the proletariat stands in need. It was in this sense that Marx and Engels, and after them Lenin, spoke at various moments of the progressive role of eighteenth-century French materialism, of the new German philosophy, of British political economy, of French and English Utopian Socialism.

But in taking over the progressive elements of the past, Marx did not absorb them in the nature in which he found them, but on the contrary, transformed them, by acting upon them with the impact of the revolutionary principles forged in the militant practice of the proletariat. He turned the mystical Hegelian dialectics "right-side up"; he consummated the deficient materialism of Feuerbach into militant materialism; proceeding from Smith's and Ricardo's theories of value, he laid bare the specific nature and the process of capitalist production through the doctrine of surplus value; he advanced the conspiratorial sectism of Babeuf and Blanqui into the scientific teachings on the revolutionary struggle and historic role of the working class; he replaced the Utopian aspirations of earlier Socialism with the principles of scientific Socialism.

Only a willful detractor of Marx, one who hopes to undermine the efficacy of Marxism by denying to its founder the merit of contribution, can, therefore, speak of the *Communist Manifesto* as "the common property of all socialist schools of the time or the specific attributes of particular sects or individual scholars."

But not the authorship of the Socialist principles is Mr. Nomad's concern, not the personal merits or demerits of Karl Marx, not the question of whether Marx was or was not concerned with the destiny

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of the working class—not these are the issues that leave Mr. Nomad no rest: it is *Marxism*, the revolutionary world-view and weapon of the workers which elicits his villifications of Marx the man.

How clearly this is to be seen in the final point we are about to dwell on.

In referring to Marx' *Criticism of the Gotha Program*, Mr. Nomad glosses over the passage on the dictatorship of the proletariat with the remark that, except for a casual reference to the subject in *Class Struggles in France*, Marx had never before spoken of "the dictatorship of the proletariat." And he adds:

> "Was it because he had some misgivings that his enemies would accuse him of striving to achieve his own dictatorship under the guise of the 'dictatorship of the proletariat'?"

If spleen does duty for sense, theory and Max Nomad are, of course, a contradiction in terms. We might, however, counter by citing the passage in the *Manifesto* written twenty-seven years earlier:

> "The first step in the revolution by the working class is to raise the proletariat to the position of ruling class. . . ."

We might refer to the above-quoted letter to Weydemeyer, written in 1852, wherein the inevitability of the dictatorship of the proletariat as the transition to the classless sociey is declared by Marx to be his *central teaching*. We might reproduce the emphases upon this teaching in the *Class Struggles in France*, to which Mr. Nomad refers as "a casual remark." We might, perhaps, quote from the statement in the *Criticism of the Gotha Program*, which Mr. Nomad does not deem sufficiently material to cite:

> "Between the capitalist and the Communist systems of society lies the period of the revolutionary transformation of the one into the other. This corresponds to a political transition period, whose State can be nothing else but *the revolutionary dictatorship of the proletariat.*" (Emphasis Marx's.)

But surely Mr. Nomad is not in need of this evidence. Not because he is particularly well versed in the subject he writes about, but because the evidence would greatly embarrass him. These objections to Marx's "casual remark" on the dictatorship of the proletariat are nothing but hypocritical objections to the dictatorship of the proletariat. For the *why* of the protestations, indeed, of the whole spread of his slander-columns is clearly revealed in his final paragraphs:

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> "Socialism is no longer the spectre that once horrified the owners of privilege. Our sophisticated age is gradually beginning to discard the old terms of Socialism or Communism with their misleading connotation of economic equality. More and more it begins to apply the expressions 'planned economy' or 'state capitalism.' "

Some readings are best begun at the end. Certainly in the case of such Marx "commemoration" articles, of which Max Nomad's is but the type, the reader could well spare himself the reams of falsifications and calumnies offered as historiography and evaluation, by realizing at the first glance that he is looking into the full countenance of a pen-mercenary of fascism.

According to a well-known saying, geometric axioms would certainly have been refuted if they were to touch upon the interests of men. Theories of natural science, which conflicted with the old prejudices of theology, have caused and continue to cause the most violent battles. It is, therefore, no wonder that the teachings of Marx, which serve directly for the enlightenment and organization of the most progressive class in contemporary society; which points out the tasks of that class, and prove the inevitable replacement of the old order of society by a new one as a result of economic development—it is, therefore, no wonder that these teachings had to take by battle every step on their path of life—LENIN.

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MARX, ENGELS AND LENIN ON THE IRISH REVOLUTION

by RALPH FOX. Workers Library Publishers. 10 cents

Reviewed by MARTIN MORIARTY

We commemorate in April, the 17th anniversary of the Easter Week Rising in Dublin.

On the eve of his execution in Dublin in 1916, James Connolly, Ireland's greatest revolutionist, declared:

"The Socialists will never understand why I am here. They will all forget I am an Irishman."

Still in agony from wounds received in the fighting, the guiding genius of the Easter Week Insurrection was carried on a stretcher from the hospital bed, propped against the prison wall, and shot.

And of course certain "Socialists" did not understand. Labor leader Arthur Henderson was in fact an honored member of the war cabinet which sanctioned the executions. Fox, in this pamphlet on *Marx, Engels and Lenin on the Irish Revolution*, reports the reaction of these groups to the rising. Meek Tolstoyans of the S.L.P. shamelessly declared that "Connolly was terribly and criminally mistaken. Why should a handful of rebels, armed with rifles that capitalist armies junked, challenge the might of the British Empire and hold Dublin for a week? All were puzzled, all did not understand.

All but Lenin. And Lenin, able to seize the revolutionary implications of the smallest or greatest struggle, fiercely derided left Socialist and social patriot alike.

"Whoever calls such an uprising a putsch is either a bitter reactionary or a doctrinaire, hopelessly incapable of imagining a social revolution as a living phenomenon," he said. The rising was heroic because it was a people's movement against imperialism in the middle of an imperialist war, a war which was in itself an expression of the general crisis of imperialism.

"The misfortune of the Irish," Lenin added, "lies in their having revolted prematurely when the European revolt of the proletariat had not yet ripened."

Thus Lenin continued the Communist struggle for a free Ireland, for the oppressed of all nations, that, as Ralph Fox's little book reveals, had

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found such eloquent champions in Marx and Engels half a century before.

* * *

The subjugation of the Irish makes it necessary for the British Empire to manufacture countless lies and myths about the "peculiarities" of the "dirty Irish," who dare to resist by force the freely-given glories of Anglo-Saxon civilization. From British labor leaders, those yes-men of imperialism who were always astounded at the idea of an Ireland distinct from the British Empire, the poison seeps through to the workers. As in the United States white chauvinism is sedulously cultivated as a weapon against the oppressed Negro, imperialist poison is craftily concocted in England against the Irish. Hence British trade unionists transported to Ireland the scum who became infamous as the black and tans. And when mass protests and demoralizing ambushes drove the British first to cry "truce!" and then to provoke a civil war through its Free State government, British trade unionists shrugged their shoulders. "The Irish again," they said, "always fighting."

Such sentiments are heard less today because British workers are learning from Marx that "a people which enslaves another forges its own chains." And the Irish struggle is important not only for revolutionists in Great Britain. Here in the United States the workers must be as aggressive champions of Irish freedom as were the founders of the First International in the 'sixties.

As in the 'sixties, the Irish form a large strata of the population. Their profound hatred of everything British does not cease with the first generation. "Their sole thought, their sole passion," Marx declared in his resolution on Ireland accepted by the Council of the International in 1869, "is hatred of the English. The English and the American governments—that is, the classes which represent them—cultivate that hatred so as to perpetuate international contradictions, which are a brake on every serious and honest union between the working class of both countries and a brake on their common liberation."

In the period of wars and revolutions today American imperialists are fomenting international hatreds more eagerly than in the 'sixties. In the United States the Irish vote is still a jealous prize of capitalist politicians and no ward-heeler would bid for that vote without "pulling the British lion's tail." Hostility to the British empire is fanned anew by those Irish revolutionaries who were hounded out of Ireland in the days of the Anglo-Irish wars in 1916-23. American jingoes exploited this hatred especially in 1931-32. There was then a most ferocious coercion act enforced in Ireland by the puppet Cosgrave government. Unfortunately, it is a fact that Cosgrave's murder tribunals were generally unprotested by the American labor movement. But Washington was quick to seize the opportunity to campaign against its British rival. Its demagogues carried on the old game: They fitted this tremendous anti-British hatred, having its roots in a *revolutionary* struggle against class exploitation, against national oppression in Ireland, into an American *imperialist* orgy. "Boycott British goods, buy American, help the Navy League!" these salesmen of dollar diplomacy ranted.

There was a more satisfactory workers' response to the Belfast relief fight last year. As the De Valera government exposes itself—and it is exposing itself more and more before the Irish masses as a class government of Irish cattle-ranchers and business men—and as the Northern six counties' government drives Orange and Catholic workers to fight together for

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bread as they did in Belfast last fall, we will have greater opportunities of building international solidarity between the workers of oppressed Ireland and imperial America.

If only for its historical section Fox's work is a timely restatement of the Communist approach to a key sector of the national liberation movement. It is the story of great men who placed the position of Ireland before the tribunal of the international working class. They did so "because they considered the Irish revolution not merely the concern of the Irish people themselves, but because they knew that its success would have immense consequences for the world revolution, for the liberation of all oppressed peoples and classes."

To Marx and Engels the exploitation of the peasant masses by an alien landlord capitalist clique was the root of the struggle and from this viewpoint they evaluated every social movement in Ireland. In the period of capitalist industrialism it was an agrarian nationalist movement. Its program, Marx held, should be based on self-government and independence from England; an agrarian revolution; protective taxes to help build up the industries destroyed by the British. And it was a program that could be pushed only by the "lower orders."

If Ireland was important for Marx in the period of capitalist industrialism it was still more important for Lenin in the epoch of imperialism. Now vast continents were raped by empires and the process inevitably generated a maze of colonial problems, of anti-imperialist movements which harrassed government offices but for all that could not budge the leaders of the Second International from their smug "Socialism." Avowed reactionaries and revisionist bookworms, they glossed over the national question. They garbled Marx. They prattled of "world outlooks which would ultimately solve the plight of national minorities." Against this corruption, Fox points out, "Lenin fought with all his power, pointing out that internationalism was a sham whilst nations and nationalities remained oppressed and that the question of nationalism could not simply be dismissed as 'reactionary' and that it was, like all other questions, a class question. There was reactionary, bourgeois nationalism, the slave to clericalism and all kinds of national prejudices, and there was proletarian nationalism, the nationalism which was based on the most oppressed class, that gathered around it all the progressive, democratic elements which could only flourish insofar as they were released by the proletariat, which was at the same time the most *international* of classes."

* * *

Great credit is due to Fox for his enterprise in Marxist-Leninist pamphleteering on the Irish revolution. He gives us appropriate extracts from the writings of three giants of the revolutionary movement on Ireland, and by apt historical comment he illustrates their profound analysis of the Irish "question."

He shows how Marx related the oppression of the Irish to its roots in the capitalist system. And he shows us how Marx, Engles and Lenin saw so clearly the importance of Ireland in the world revolution.

While the work is of great value, there are certain defects. History might have been exploited more fully—even within the limits of this pamphlet—to drive home Marx's observations on class currents in the Irish movement. In this connection the Young Irelanders, the so-called physical force men of 1848, are not mentioned. Their revolt affords a typical example of the role of classes in critical insurrectionary periods. A national

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movement that could have delivered staggering blows to the British Empire and, at the right time, saved a famine-stricken peasantry, was strangled by landlords of the Smith-O'Brien faction because this class shrank in horror from the revolutionary proposals of their starving followers.

Especially must we point to the weakness of the Fenian movement and not alone to its socialistic tendencies. True, Fenian pressure won the first land bill from the Gladstone government. But did Fenian leadership attack the land question organizationally? No: The lower orders instead were led more into conspiratorial plots—courageous, daring, objectively revolutionary—but which nevertheless were dramatic reflections of the "movement of classes" in action again.

Incidentally, the proletariat was not "uniting and leading the scattered actions of the peasantry" in the insurrection of the United Irishmen in 1798. This is attributing to the proletariat a class role that for it was historically unattainable in that period.

It is refreshing to read of Connolly in terms other than of uncritical praise. Yet the approach is somewhat lifeless. For instance:

"Connolly wrote with perfect truth that 'only Marxism provides the clue to Irish history.' Yet, it may be objected, Connolly the Marxist did not himself succeed in liberating Ireland."

It is pedantry. As well object that Lenin the Marxist did not succeed in "liberating" Russia in 1905.

In fact it is a pity that we were not given a fuller examination of Connolly in the light of the Marxist-Leninist platform. In a brief two paragraphs we are told that "Connolly did not altogether understand Marxism and included in his outlook several elements which were not Marxist, but nearer to Syndicalism. Particularly Connolly failed to understand the need for a revolutionary Party of the working class." But did not Connolly make certain attempts at working class political organization before 1916? He organized the Irish Socialist Republican Party in 1896 and electioneered for this body. It was the I.S.R.P. which led great anti-imperialist demonstrations against the visit of "Victoria—the 'famine queen'," to Dublin.

Then we must remember Connolly's fight at the Irish Trade Union Congress in 1912. Because of his forceful agitation, the Congress endorsed the principle of an Irish Labor Party. This progressive step was stubbornly resisted by "economists" devoted to "pure and simple trade-unionism." They howled that those who "were constructing the congress into a political party were sounding the death-knell of trade-unionism in Ireland." But did Connolly surrender to this narrow concept? No: His efforts towards giving a *political* character to the trade union movement were expressed hereafter in the revised name: Irish Trade Union Congress and Labor Party.

All imperfect, all not substitutes for the revolutionary party of the working class. Yet they were pioneer beginnings in that direction which we must credit even while pointing to their limitations.

Then recall those dramatic years in Dublin before the war. In that fierce period of national struggle Connolly helped build the Irish Citizen Army. This was the *armed* instrument of the working class, a political and military development of the stubborn street battles that marked the labor war in Dublin in 1913.

Is it therefore correct to imply without qualitfication that Connolly did not know that "Marxism is not mere theory, but a guide to action"? Or that Connolly succumbed—for this is the impression conveyed in the

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text—to the yellow socialism of the Second International? Clearly it does not. Not that we underestimate the insidious pressure of the revisionism of that epoch. But against it Connolly reacted most definitely, although not seeing as Lenin did the specific political forms that Marxism as a guide to action must take. It would therefore be helpful to explain in more detail the shortcomings of Connolly's positive reaction, the weakness because of the syndicalist elements in his outlook, to measure his various attempts (and achievements) at socialist groupings against the theory of the Communist Party, to relate his mistakes to the general character of the epoch in Ireland particularly. In doing this we will attribute the technical "failure" of the Rising in 1916 partly to its period (i.e. "the misfortune of the Irish lies in their having revolted prematurely, when the European revolt of the proletariat had not yet ripened"—Lenin) and not only to Connolly's limitations as a Marxist. And these again may be partially explained when we consider the anti-imperialist orientation arising from the terrific pressure of the national struggle at the time. That pressure must be considered. Even today, after more than a decade of the foulest reaction, there is not yet a formal Communist Party in Ireland. (The Revolutionary Workers Groups are about to launch the Party.)

* * *

Isn't there a sectarian note also in the criticism of the Irish Republican Army? Isn't it over-simple to lump together its leaders as cunning demagogues of "petty bourgeois origin" who "continue to deceive their followers with radical phrases." It is true to say of certain leaders: "Because they are not prepared to do this (i.e. to break with capitalism in all its forms) they also cannot lead the people of Ireland to freedom, despite the fine revolutionary will to freedom of the Army's rank and file."

But do we stop there? No, we have much to say of that "fine revolutionary will to freedom of the Army's rank and file." Viewing the I.R.A. as a whole, as an evolving movement, we can say that the Army can become a conscious, militant instrument of the working class and working farmers especially to the extent that the Irish Communists develop their policy of ceaseless activity in every important phase of the national struggle.

* * *

Reading these excerpts from the correspondence of Marx and Engels on the imperial plunder of Ireland, we are reminded of our duty as revolutionists towards the struggle of the Negro masses in the United States. Of course Marx saw parallels between the two problems. "The average English worker," Marx said in his resolution on Ireland already quoted, "hates the Irish as a competitor who lowers his wages and level of living. He feels national and religious antagonism towards him. He appears to him in much the same light as the black slaves appeared to the poor whites in the southern states of North America. This antagonism between the proletarians of England is artificially cultivated and maintained by the white bourgeoisie. It knows that in this antagonism lies the *real secret of maintainging its power.*"

There is need for Marxist interpretation of the Irish revolution in the United States and England and it is to be hoped that this work marks a beginning in this direction.

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